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DRAFT RED HERRING PROSPECTUS
Dated July 14, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

FLAIR WRITING INDUSTRIES LIMITED

CORPORATE IDENTITY NUMBER: U51100MH2016PLC284727

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
63 B/C, Government Industrial Estate Charkop, Kandivali West Mumbai 400 067 Maharashtra, India	Mr. Vishal Kishor Chanda, Company Secretary and Compliance Officer	**E-mail**: investors@flairpens.com **Tel**: +91 22 4203 0405	www.flairworld.in

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

DETAILS OF THE OFFER

TYPE	SIZE OF FRESH ISSUE	SIZE OF OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs AND RIBS
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹3,650.00 million	Up to [●] Equity Shares aggregating up to ₹3,800.00 million	Up to [●] Equity Shares aggregating up to ₹7,450.00 million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, see "*Other Regulatory and Statutory Disclosures—Eligibility for the Offer*" on page 367. For details in relation to share reservation among QIBs, NIBs and RIBs, see "*Offer Structure*" on page 383.

DETAILS OF THE OFFER FOR SALE BY SELLING SHAREHOLDERS

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED/ AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*	NAME OF SELLING SHAREHOLDER	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 aggregating up to ₹760.00 million	4.59	Mr. Mohit Khubilal Rathod	Promoter Group Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹380.00 million	4.59
Mr. Vimalchand Jugraj Rathod	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹570.00 million	4.59	Mr. Sumit Rathod	Promoter Group Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹380.00 million	4.59
Mrs. Nirmala Khubilal Rathod	Promoter Group Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹380.00 million	4.59	Mrs. Sangita Rajesh Rathod	Promoter Group Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹190.00 million	4.59
Mrs. Manjula Vimalchand Rathod	Promoter Group Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹380.00 million	4.59	Mrs. Shalini Mohit Rathod	Promoter Group Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹190.00 million	4.59
Mr. Rajesh Khubilal Rathod	Promoter Group Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹380.00 million	4.59	Mrs. Sonal Sumit Rathod	Promoter Group Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹190.00 million	4.59

*As certified by Jeswani & Rathore, the Statutory Auditors pursuant to their certificate dated July 14, 2023.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹5. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 120 should not be considered 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 nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

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 ("**SEBI**"), nor does 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 29.

ISSUER'S AND 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. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or made by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements pertain to such Selling Shareholder and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company, any other Selling Shareholder or any other person(s).

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE and NSE. For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 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 422.

BOOK RUNNING LEAD MANAGERS

NAME OF THE BOOK RUNNING LEAD MANAGER AND LOGO	CONTACT PERSON	E-MAIL AND TELEPHONE
nuvama **Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**[(1)]	Mr. Manish Tejwani/Ms. Ayushi Modi	**E-mail**: flair.ipo2023@nuvama.com **Tel**: +91 22 4009 4400
AXIS CAPITAL **Axis Capital Limited**	Mr. Pratik Pednekar	**E-mail**: fwil.ipo@axiscap.in **Tel**: +91 22 4325 2183

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
Link Intime India Private Limited	Ms. Shanti Gopalkrishnan	**E-mail**: flairwriting.ipo@linkintime.co.in **Tel**: +91 810 811 4949

BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD	[●][(2)]
BID/OFFER OPENS ON	[●]
BID/OFFER CLOSES ON	[●][(3)(4)]

(1) 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.

(2) Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

(3) Our Company, in consultation with the Book Running Lead Managers, may 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.

(4) UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

DRAFT RED HERRING PROSPECTUS
Dated July 14, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

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 196.

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
Tel: +91 22 4203 0405**; E-mail**: investors@flairpens.com; **Website**: www.flairworld.in
Corporate Identity Number: U51100MH2016PLC284727

OUR PROMOTERS: MR. KHUBILAL JUGRAJ RATHOD AND MR.VIMALCHAND JUGRAJ 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 ₹7,450.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹3,650.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹3,800.00 MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹760.00 MILLION BY MR. KHUBILAL JUGRAJ RATHOD, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹570.00 MILLION BY MR. VIMALCHAND JUGRAJ RATHOD (TOGETHER REFERRED TO AS THE "PROMOTER SELLING SHAREHOLDERS"), UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹380.00 MILLION BY MRS. NIRMALA KHUBILAL RATHOD, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹380.00 MILLION BY MRS. MANJULA VIMALCHAND RATHOD, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹380.00 MILLION BY MR. RAJESH KHUBILAL RATHOD, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹380.00 MILLION BY MR. MOHIT KHUBILAL RATHOD, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹380.00 MILLION BY MR. SUMIT RATHOD, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹190.00 MILLION BY MRS. SANGITA RAJESH RATHOD, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹190.00 MILLION BY MRS. SHALINI MOHIT RATHOD AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹190.00 MILLION BY MRS. SONAL SUMIT RATHOD (COLLECTIVELY REFERRED TO AS THE "PROMOTER GROUP SELLING SHAREHOLDERS" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS REFFERRED TO AS THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES").

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES THROUGH A PRIVATE PLACEMENT, PREFERENTIAL ISSUE OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S), FOR CASH CONSIDERATION AGGREGATING UP TO ₹730.00 MILLION, AT THE DISCRETION, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND THE PRE-IPO PLACEMENT WILL BE COMPLETED PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(b) OF THE SCRR.

THE FACE VALUE OF THE EQUITY SHARES IS ₹5 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DETERMINED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A MARATHI DAILY NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE" AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

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 defined hereinafter), 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 387.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹5 each. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations and as stated under "*Basis for Offer Price*" on page 120, 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

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 this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 29.

ISSUER'S AND 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. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or made by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements pertain to such Selling Shareholder and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company, any other Selling Shareholder or any other person(s).

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 letters dated [●] and [●], respectively. For the purpose of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 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 422.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
Nuvama Wealth Management Limited **(formerly known as Edelweiss Securities Limited)**[1] 801 - 804, Wing A, Building No 3 Inspire BKC, G Block Bandra Kurla Complex, Bandra East Mumbai 400 051 Maharashtra, India **Tel**: +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/Ms. Ayushi Modi **SEBI registration no.**: INM000013004	**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 **E-mail**: fwil.ipo@axiscap.in **Website**: www.axiscapital.co.in **Investor grievance e-mail**: complaints@axiscap.in **Contact person**: Mr. Pratik Pednekar **SEBI registration no.**: INM000012029	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg Vikhroli West Mumbai 400 083 Maharashtra, India **Tel**: +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 Gopalkrishnan **SEBI registration no.:** INR000004058

BID/OFFER PERIOD

BID/OFFER OPENS ON	[●][2]	BID/OFFER CLOSES ON	[●][3][4]

[1] *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.*
[2] *Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*
[3] *Our Company, in consultation with the Book Running Lead Managers, may 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.*
[4] *UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.*

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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.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

Notwithstanding the foregoing, the terms used in "Objects of the Offer", "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Financial Information", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", and "Description of Equity Shares and Terms of Articles of Association" on pages 96, 120, 129, 134, 191, 196, 234, 315, 359, 367 and 409, respectively, shall have the respective meanings ascribed to them in the relevant sections.

General Terms

Term	Description
Our Company or the Company or the Issuer or Flair	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, requires or implies, refers to our Company (including the Erstwhile Partnership Firms and the Transferor Companies) together with our Subsidiaries, on a consolidated basis

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 our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "*Our Management—Committees of our Board*" on page 216
Auditors or Statutory Auditors	The statutory auditors of our Company, namely Jeswani & Rathore, Chartered Accountants
Board or Board of Directors	The board of directors of our Company, including a duly constituted committee thereof, as applicable
Chairman	The chairman of our Board of Directors, being Mr. Khubilal Jugraj Rathod
Chartered Engineer	Mr. Trushar Rameshbhai Patel (M.E. Structures), Chartered Engineer
Chief Financial Officer or CFO	The chief financial officer of our Company, being Mr. Mayur Dhansukhlal Gala
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Mr. Vishal Kishor Chanda
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "*Our Management—Committees of our Board*" on page 216
Cost Assessment Report	The cost assessment report dated July 12, 2023, issued by the Chartered Engineer
Daman Agarwal Unit	Our manufacturing plant located at Survey no. 644/10, 11, Ground Floor Gala no. 4, 5, 6 and 1st Floor, Gala no. 9, 10, 11, 12, 13, Agarwal Industrial Estate, Somnath, Dabhel, Daman 396 210, Union Territory of Dadra and Nagar Haveli and Daman and Diu
Daman Unit-II	Our manufacturing plant located at Survey no. 708/ 1,2,3,4, 709/12 and 8, Somnath Road, Dabhel, Daman 396 210, Union Territory of Dadra and Nagar Haveli and Daman and Diu
Daman Unit-III	Our manufacturing plant located at Survey no. 377/1, Plot No. 19 and 21, Zari Causeway Road, Kachigam, Daman 396 210, Union Territory of Dadra and Nagar Haveli and Daman and Diu
Daman Unit-IV	Our manufacturing plant located at 370/2A, Kachigam, Nani Daman, Daman 396 210, Union

Term	Description
	Territory of Dadra and Nagar Haveli and Daman and Diu
Daman Unit-V	Our manufacturing plant located at Industrial Gala no. 5,6,7,8,9,10 on ground floor and Industrial Gala no. 1, 2, 3, 4, 5, 6, 7, 8 and 9 on the 1st floor, Gala no. 1,2,3 and open space on the 2nd floor on Survey no. 370/1/3/1, Union Territory of Dadra and Nagar Haveli and Daman and Diu
Dehradun Unit-I	Our manufacturing plant located at Khasra no. 1049/2, 1050, 1051/1, Twin Industrial Estate, Central Hope Town, Camp Road, Selaqui, Dehradun 248 011, Uttarakhand
Dehradun Unit-II	Our manufacturing plant located at Khasra no. 1049/2 and 1050, Twin Industrial Estate, Central Hope Town, Camp Road, Selaqui, Dehradun 248 011, Uttarakhand
Director(s)	The director(s) on our Board of Directors
Equity Shares	The equity shares of our Company of face value of ₹5 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)
FCIPL	Flair Cyrosil Industries Private Limited
FDPL	Flair Distributor Private Limited
FDPL Scheme	Scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 among our Company and Flair Distributor Private Limited approved by the NCLT, Mumbai Bench through an order dated February 17, 2023 pursuant to which FDPL merged with and into our Company and, as disclosed in "*History and Certain Other Corporate Matters—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years"* on page 200
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
FWEPL	Flair Writing Equipments Private Limited
Group Companies	Our Company's group companies, in terms of the SEBI ICDR Regulations, as disclosed in "*Our Group Companies*" on page 231
Independent Directors(s)	The independent director(s) on our Board in terms of the SEBI ICDR Regulations
IPO Committee	The IPO committee of our Board, as described in "*Our Management—Committees of our Board*" on page 216
Key Managerial Personnel or KMP	The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as disclosed in "*Our Management—Key Managerial Personnel of our Company*" on page 224
Managing Director	The managing director of our Company, being Mr. Vimalchand Jugraj Rathod
Materiality Policy	The policy adopted by our Board on June 30, 2023 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
MoA or Memorandum or Memorandum of Association	The memorandum of association of our Company, as amended
Naigaon Unit-I	Our manufacturing plant located at Trinity Industrial Park, Survey no. 14, 15, 16, next to Diva railway bridge, N.H. No. 8, Naigaon (East), Bapane, Palghar 401 208, Maharashtra
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "*Our Management—Committees of our Board*" on page 216
NPPI	M/s. National Pen and Plastic Industries
Promoters	The promoters of our Company, namely, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod. For details, see "*Our Promoters and Promoter Group*" on page 227
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 227
Rathod Family Promoter	The entities constituting the promoter group of our Company which are controlled by the Rathod

Term	Description
Group Entities	family, as disclosed in "*Our Promoters and Promoter Group*" on page 227
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 financial information of our Company and our Subsidiaries, as at and for the Financial Years 2023, 2022 and 2021, comprising the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, 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 Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI, as amended from time to time.
Risk Management Committee	The risk management committee of our Board, constituted in accordance with the applicable provisions of the SEBI Listing Regulations, and as described in "*Our Management—Committees of our Board*" on page 216
Scheme	Scheme of amalgamation under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 among our 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 and as disclosed in "*History and Certain Other Corporate Matters—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years*" on page 200
Senior Management	The senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as disclosed in "*Our Management—Senior Management of our Company*" on page 224
Shareholders	The shareholders of our Company, from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "*Our Management—Committees of our Board*" on page 216
Subsidiaries	The subsidiaries of our Company, namely, FCIPL and FWEPL. For details, see "*History and Certain Corporate Matters—Subsidiaries*" on page 202
Transferor Companies	The companies which merged into our Company pursuant to the Scheme, namely, FIIPL, FPPIPL, FPP(UK)PL, FPSIPL and FSPL
Valsad Building-II	Our manufacturing plant located at Survey/ Block no. 182, NH no. 8, next to Balaji Wafers, Shankartalav, Valsad 396 001, Gujarat
Valsad Building-III	Our manufacturing plant located at Survey/ Block no. 182, NH no. 8, next to Balaji Wafers, Shankartalav, Valsad 396 001, Gujarat
Valsad Building-IV	Our manufacturing plant located at Survey/ Block no. 182, NH no. 8, next to Balaji Wafers, Shankartalav, Valsad 396 001, Gujarat
Whole-time Directors	The whole-time directors on our Board, as disclosed in "*Our Management*" on page 205

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allotment or Allot or Allotted	Allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale, in each case to the 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(s)	A Qualified Institutional Buyer, who applies 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 the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs
Anchor Investor	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion

Term	Description
Application Form	and which shall be considered as an application for Allotment in accordance with the requirements specified under the SEBI ICDR Regulations and 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 the Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the 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, in consultation with the BRLMs
Anchor Investor Pay-In Date	With respect to the Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLMs, to the 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 in accordance with the SEBI ICDR Regulations
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 the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders, for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidder(s), except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids 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, Sponsor Banks, Refund Bank and Public Offer Account Bank
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 387
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 and the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of the Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders, Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder, and mentioned in the Bid cum Application Form and payable by the Bidder 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 and in multiples of [●] Equity Shares thereafter
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 [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation. Our Company 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. In case of any revision, the extended Bid/Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges and shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated

Term	Description
	Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a 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, in accordance with the SEBI ICDR Regulations
Bidder/ Applicant	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 Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process, as provided in Schedule XIII 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 Nuvama and Axis Capital
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, using the UPI Mechanism). The details of such broker centres, 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), updated from time to time
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, and which shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, and the Bankers to the Offer for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, remitting refunds of the amounts collected from Bidders, on the terms and conditions thereof
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 and the UPI Circulars, issued by the SEBI as per the list available on the websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price finalized by our Company, in consultation with the BRLMs, which may be any price within the Price Band. Only Retail Individual Bidders are entitled 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, bank account details and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders, 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
Designated CDP Locations	Such locations of the CDPs where ASBA 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) and updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfers funds from the Escrow Account(s) to the Public Offer Account(s) or the Refund Account(s), as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instructions issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account(s), in terms of the Red Herring Prospectus and the Prospectus, following which Equity Shares will be Allotted in the Offer
Designated Intermediaries	Collectively, the Syndicate, Sub-Syndicate Members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders in the Offer. In relation to ASBA Forms submitted by Retail Individual Bidders and Non-Institutional Bidders Bidding with an application size of up to ₹500,000 (not using the UPI Mechanism) authorizing

Term	Description
	an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIIs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs
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) and updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated July 14, 2023 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
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)	Accounts opened with the Escrow Collection Bank 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 Collection Bank(s)	The bank(s), which are clearing member(s) and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case, being [●]
First Bidder or Sole 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 ₹3,650.00 million by our Company If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB 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 96
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares, which 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

<table>
<tr><th>Term</th><th>Description</th></tr>
<tr><td></td><td>unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price</td></tr>
<tr><td>Non-Institutional Bidders or NIBs or Non- Institutional Investors</td><td>All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI that are not QIBs (including Anchor Investors) or Retail Individual Bidders, who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)</td></tr>
<tr><td>Nuvama</td><td>Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

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</td></tr>
<tr><td>Offer</td><td>Initial public offering of up to [●] Equity Shares of face value ₹5 each for cash at a price of ₹[●] per Equity Share, aggregating up to ₹7,450.00 million comprising the Fresh Issue and the Offer for Sale</td></tr>
<tr><td>Offer Agreement</td><td>The agreement dated July 14, 2023 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer</td></tr>
<tr><td>Offer for Sale</td><td>The offer for sale of up to [●] Equity Shares aggregating up to ₹3,800.00 million, as set out below:
<table>
<tr><th>S. No.</th><th>Name of Selling Shareholder</th><th>Type</th><th>Aggregate amount of Offer for Sale</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>Promoter Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹760.00 million</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>Promoter Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹570.00 million</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>Promoter Group Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹380.00 million</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>Promoter Group Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹380.00 million</td></tr>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>Promoter Group Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹380.00 million</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>Promoter Group Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹380.00 million</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>Promoter Group Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹380.00 million</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>Promoter Group Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹190.00 million</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>Promoter Group Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹190.00 million</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>Promoter Group Selling Shareholder</td><td>Up to [●] Equity Shares aggregating up to ₹190.00 million</td></tr>
</table></td></tr>
<tr><td>Offer Price</td><td>The final price (within the Price Band) 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 which will be decided by our Company, in consultation with the BRLMs, in terms of the Red Herring Prospectus. The Offer Price will be determined by our Company, in consultation with the BRLMs, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus</td></tr>
<tr><td>Offer Proceeds</td><td>The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see “Objects of the Offer” on page 96</td></tr>
<tr><td>Offered Shares</td><td>Up to [●] Equity Shares aggregating up to ₹3,800.00 million being offered by the Selling Shareholders in the Offer for Sale</td></tr>
<tr><td>Pre-IPO Placement</td><td>The further issue of specified securities through a private placement, preferential issue or any other method as may be permitted under applicable law to any person(s), for cash consideration aggregating up to ₹730.00 million, which may be undertaken by our Company, in consultation with the BRLMs, at its discretion, prior to filing of the Red Herring Prospectus with the RoC.

The price of the specified securities allotted pursuant to the Pre-IPO Placement shall be</td></tr>
</table>

Term	Description
	determined by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, 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, in consultation with the BRLMs and shall be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation, at least two 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 respective websites
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalize the Offer Price
Promoter Selling Shareholders	Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod
Promoter Group Selling Shareholders	Mrs. Nirmala Khubilal Rathod, Mrs. Manjula Vimalchand Rathod, Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod, Mr. Sumit Rathod, Mrs. Sangita Rajesh Rathod, Mrs. Shalini Mohit Rathod and Mrs. Sonal Sumit 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 opened with the Public Offer Account Bank in accordance with Section 40(3) of the Companies Act, 2013, to receive money from the Escrow Accounts and the ASBA Accounts maintained with the SCSBs on the Designated Date
Public Offer Account Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the SEBI BTI Regulations, with which the Public Offer Account(s) shall be opened, being [●]
QIB Portion	The portion of the Offer (including Anchor Investor Potion) being not more than 50% of the Offer comprising [●] Equity Shares, which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price, as applicable
Qualified Institutional Buyer(s), QIBs or QIB Bidders	A qualified institutional buyer as defined under Regulation 2(1)(ss) 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 the Companies Act and the SEBI ICDR Regulations which will not have complete particulars of the Offer Price and size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to the Anchor Investors
Refund Bank(s)	The bank which are a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account(s) will be opened, in this case 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 and the UPI Circulars issued by the SEBI
Registrar Agreement	The agreement dated July 12, 2023, entered into among our Company, the 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
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
Registrar to the Offer or Registrar	Link Intime India Private Limited
Retail Individual Bidders or RIBs or 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)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their

Term	Description
	Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders (subject to the Bid Amount being up to ₹200,000) can revise their Bids during the Bid/Offer Period and can withdraw their Bids until the Bid/Offer Closing Date
SCORES	Securities and Exchange Board of India Complaints Redress System
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Selling Shareholders	Collectively, the Promoter Selling Shareholders and the Promoter Group Selling Shareholders
Share Escrow Agent	[●]
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate will accept ASBA Forms, a list of which is available at the website of the SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Banks	Bank(s) registered with SEBI which will be appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the UPI Bidders into the UPI, in this case being [●]
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Member	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations, namely, [●]
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, the Selling Shareholders and our Company to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified Payments Interface, a payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion, and individuals applying as Non-Institutional Bidders with a Bid Amount of up to ₹500,000 in the Non-Institutional Portion. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a Syndicate Member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no.

Term	Description
	SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI Master Circular for Issue of Capital and Disclosure Requirements and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created in the Unified Payments Interface for a single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorize blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate a UPI transaction
Wilful Defaulter or Fraudulent Borrower	A wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day(s)	All days on which commercial banks in Mumbai, India are open for business. In respect of announcement of the Price Band and the Bid/Offer Period, "Working Day" shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in Mumbai, as per circulars issued by SEBI, including UPI Circulars

Technical/Industry Related Terms/Abbreviations

Term	Description
BFPMTA	Bombay Fountain Pen Manufacturers and Trading Association
BIC Cello	BIC Cello (India) Private Limited
CAGR	Compound annual growth rate
Camlin	Kokuyo Camlin Limited
CRISIL Report	The report titled "*An Assessment of writing and creative instruments industry and steel bottle industry in India*" dated June 2023, prepared by CRISIL Market Intelligence and Analytics (MI&A), a division of CRISIL Limited
CSO	Central Statistics Office
Current Ratio	Calculated as current assets divided by current liabilities
Debt Service Coverage Ratio	Calculated as the sum of profit before tax, depreciation and amortization expense and finance cost divided by the sum of lease payments, principal repayments of secured and unsecured loans, and finance cost related to borrowings
Debt to Equity Ratio	Calculated by dividing total debt (including both long term and short term borrowings) by Net Worth of our Company
DOMS	DOMS Industries Private Limited
EBITDA	Calculated as profit or loss for the year plus tax expenses, finance costs, depreciation and amortization expense and exceptional items less other income
EBITDA Margin	Calculated as EBITDA divided by revenue from operations
EPCG	Export promotion capital goods
EPS	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
GDP	Gross domestic product
GNDI	Gross national disposable income
Gross Material Margin	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)
Gross Material Margin (%)	Calculated as Gross Material Margin divided by total revenue from operations
Hindustan Pencils	Hindustan Pencils Private Limited
IEC Number	Importer-exporter code number
Inventory Days	Calculated as average of inventory divided by direct cost (including cost of goods sold and other direct expenses) multiplied by 365 for each financial year
Inventory Turnover Ratio	Calculated as the sum of restated cost of materials consumed, purchase of traded goods, direct expenses, employee costs and change in inventory divided by average inventory (average of

Term	Description
	opening and closing inventory)
ISO	International Organization for Standardization
Linc	Linc Limited
Luxor	Luxor Writing Instruments Private Limited
Net Capital Turnover Ratio	Calculated as revenue from operations divided by average working capital
Net Debt/EBITDA	Calculated by dividing the difference between total debt and cash marketable securities by our EBITDA
Net Profit Ratio	Calculated as profit after tax divided by revenue from operations
Net Worth	Net worth means the aggregate value of paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
NNI	Net national income
NSSO	National Sample Survey Office
OEM	Original equipment manufacturer
P/E Ratio	Price/earnings ratio
PAT	Profit after tax for the year as appearing in the Restated Consolidated Financial Information
PAT Margin	Calculated as restated profit after tax divided by revenue from operations
PEPC	Plastics Export Promotion Council
PFCE	Private final consumption expenditure
PLEX Council	Plastics and Linoleum Export Promotion Council
PSAI	Pen & Stationery Association of India
Revenue from Domestic Operations	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
Revenue from Export Operations	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
Revenue from Operations	Calculated as revenue from sale of our products and other operating revenue of our Company as set out in the Restated Consolidated Financial Information
Return on Capital Employed Ratio or ROCE	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)
Return on Equity Ratio or ROE	Calculated by dividing profit after tax by average of closing Net Worth during that year and the previous year
Return on Investment	Calculated by dividing profit after tax by total equity
Reynolds	Reynolds Pens India Private Limited
Sales and Marketing Expenditure Ratio	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)
SKUs	Stock keeping units
Trade Payable Days	Calculated as average trade payables divided by operational expenses multiplied by 365 for each financial year
Trade Payable Turnover Ratio	Calculated as purchases divided by average trade payables
Trade Receivable Days	Defined as average trade receivables divided by revenue from operations multiplied by 365 for each financial year
Trade Receivables Turnover Ratio	Calculated as revenue from operations divided by average trade receivables
Working Capital Cycle (Days)	Calculated as the sum of Trade Receivables Days and Inventory Days less Trade Payable Days
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
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India

Term	Description
Bn or bn	Billion
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II FPIs	FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Companies Act or Companies Act, 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and amendments notified thereunder
Companies Act, 1956	The Companies Act, 1956, read with the rules, regulations, clarifications and amendments notified thereunder
CSR	Corporate social responsibility
DDT	Dividend distribution tax
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director identification number
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identification number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion)
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 and effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with the rules and regulations thereunder
FEMA Non-debt Instruments Rules or the FEMA Rules or the NDI Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal or Fiscal Year or FY	The period of 12 months ending March 31 of that particular year
Foreign Trade Policy	The Foreign Trade Policy 2023-28 effective from April 1, 2023
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined in, and registered with, the SEBI under the SEBI FVCI Regulations
GDP	Gross domestic product
Government of India or Central Government or GoI	The Government of India
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	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
Indian GAAP	Generally accepted accounting principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian standard time
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the SEBI Mutual Funds Regulations
N.A.	Not applicable
NACH	National Automated Clearing House

Term	Description
NAV	Net asset value
NBFC-SI or Systemically Important Non- Banking Financial Company	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
NCLT	National Company Law Tribunal
NEFT	National electronic fund transfer
Non-Resident	A person resident outside India, as defined under FEMA including Eligible NRIs, FPIs and FVCIs
Non-Resident Indians or NRI(s)	A non-resident Indian as defined under the FEMA Rules
NPCI	National Payments Corporation of India
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or 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
PAN	Permanent account number allotted under the Income-tax Act
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
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 BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
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, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Master Circular for Issue of Capital and Disclosure Requirements	Master Circular for Issue of Capital and Disclosure Requirements issued by the SEBI through its circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed pursuant to the SEBI AIF Regulations
SMS	Short message service
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
U. S. Securities Act	United States Securities Act, 1933
US$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America and its territories and possessions
U.S. GAAP	United States generally accepted accounting principles
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
Year or Calendar Year	Unless the context otherwise requires, shall mean the twelve month period ending December 31

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 29, 65, 80, 96, 134, 161, 234, 359, 387 and 409, respectively.

Summary of the primary business of the Company

We are the largest player in pens segment in India, as of March 31, 2023. We are also among the top three players in the overall writing instruments industry and occupy a market share of approximately 9% in the overall writing and creative instruments industry in India, as of March 31, 2023 (*Source: CRISIL Report*). Our flagship brand "Flair" has enjoyed a market presence of over 45 years. We manufacture and distribute writing instruments including pens, stationery products and calculators and have also diversified into manufacturing houseware products and steel bottles.

Summary of the Industry

The Indian writing and creative instruments industry is dominated by organised players and is expected to grow at a CAGR of 7.7% to 8.4% over the Financial Years 2023 to 2028, with the pen segment projected to grow at a CAGR of 7.5% to 8.5% over the same period. The Indian steel bottle industry is highly fragmented and is expected to grow at a CAGR of 14% to 16% over the Financial Years 2023 to 2028. As of March 31, 2023, the Indian homeware industry is estimated to be around ₹400 to ₹450 billion with the kitchen appliances segment occupying a share of 40% to 45%. *(Source: CRISIL Report)*

Names of Promoters

Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod. For details, see "*Our Promoters and Promoter Group*" on page 227.

Offer size

Initial public offering of up to [●] Equity Shares with a face value of ₹5 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹7,450.00 million comprising (i) the Fresh Issue of up to [●] Equity Shares aggregating up to ₹3,650.00 million; and (ii) the Offer for Sale of up to [●] Equity Shares aggregating up to ₹3,800.00 million. The details of the Offer for Sale are set out below:

S. No.	Name of the Selling Shareholder	Equity Shares offered
1.	Mr. Khubilal Jugraj Rathod	Up to [●] Equity Shares aggregating up to ₹760.00 million
2.	Mr. Vimalchand Jugraj Rathod	Up to [●] Equity Shares aggregating up to ₹570.00 million
3.	Mrs. Nirmala Khubilal Rathod	Up to [●] Equity Shares aggregating up to ₹380.00 million
4.	Mrs. Manjula Vimalchand Rathod	Up to [●] Equity Shares aggregating up to ₹380.00 million
5.	Mr. Rajesh Khubilal Rathod	Up to [●] Equity Shares aggregating up to ₹380.00 million
6.	Mr. Mohit Khubilal Rathod	Up to [●] Equity Shares aggregating up to ₹380.00 million
7.	Mr. Sumit Rathod	Up to [●] Equity Shares aggregating up to ₹380.00 million
8.	Mrs. Sangita Rajesh Rathod	Up to [●] Equity Shares aggregating up to ₹190.00 million
9.	Mrs. Shalini Mohit Rathod	Up to [●] Equity Shares aggregating up to ₹190.00 million
10.	Mrs. Sonal Sumit Rathod	Up to [●] Equity Shares aggregating up to ₹190.00 million

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹730.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Offer shall constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

For details, see *"The Offer"* and *"Offer Structure"* on pages 65 and 383, respectively.

Objects of the Offer

The objects for which the Net Proceeds from the Fresh Issue shall be utilized are as follows:

S. No.	Particulars	Estimated Amount[(1)] (in ₹ million)
1.	Setting up a new manufacturing facility for writing instruments in District Valsad, Gujarat	956.22
2.	Funding capital expenditure of our Company and our Subsidiary, FWEPL	867.48
3.	Funding working capital requirements of our Company and our Subsidiaries, FWEPL and FCIPL	770.00
4.	Repayment/pre-payment, in part or full, of certain borrowings availed by our Company and our Subsidiaries, FWEPL and FCIPL	430.00
5.	General corporate purposes[(2)]	[●]
	Net Proceeds	[●]

(1) *Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*
(2) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

For further details, see "*Objects of the Offer*" on page 96.

Aggregate pre-Offer and post-Offer shareholding of Promoters, Promoter Group and Selling Shareholders as a percentage of the paid-up Equity Share capital of our Company

The aggregate pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

Name of the Shareholder	Pre-Offer		Post-Offer[(2)]	
	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)	Number of Equity Shares held	Percentage of the post-Offer paid-up Equity Share capital (%)
Promoters				
Mr. Khubilal Jugraj Rathod[(1)]	18,677,760	20.00	[●]	[●]
Mr. Vimalchand Jugraj Rathod[(1)]	14,008,320	15.00	[●]	[●]
Total (A)	**32,686,080**	**35.00**	[●]	[●]
Other members of the Promoter Group				
Mrs. Nirmala Khubilal Rathod[(1)]	9,338,880	10.00	[●]	[●]
Mrs. Manjula Vimalchand Rathod[(1)]	9,338,880	10.00	[●]	[●]
Mr. Rajesh Khubilal Rathod[(1)]	9,338,880	10.00	[●]	[●]
Mr. Mohit Khubilal Rathod[(1)]	9,338,880	10.00	[●]	[●]
Mr. Sumit Rathod[(1)]	9,338,880	10.00	[●]	[●]
Mrs. Sangita Rajesh Rathod[(1)]	4,669,440	5.00	[●]	[●]
Mrs. Shalini Mohit Rathod[(1)]	4,669,440	5.00	[●]	[●]
Mrs. Sonal Sumit Rathod[(1)]	4,669,440	5.00	[●]	[●]
Total (B)	**60,702,720**	**65.00**	[●]	[●]
Total (A + B)	**93,388,800**	**100.00**	[●]	[●]

(1) *Also a Selling Shareholder.*
(2) *To be computed prior to filing of the Prospectus with the RoC.*

For further details, see "*Capital Structure*" on page 80.

Select Financial Information

A summary of the select financial information of our Company, as at and for the Financial Years 2023, 2022 and

2021 based on our Restated Consolidated Financial Information is as follows:

Particulars	As at and for the Financial Year		
	2023	2022	2021
	(in ₹ million, except per share data)		
(A) Equity share capital	466.94	233.47	233.47
(B) Net worth	4,379.87	3,198.55	2,646.54
(C) Revenue from operations	9,426.60	5,773.98	2,979.88
(D) Restated profit after tax for the year	1,181.00	551.51	9.89
(E) Restated basic earnings per equity share (in ₹/share)(1)	12.66	5.91	0.11
(F) Restated diluted earnings per equity share (in ₹/share)(2)	12.66	5.91	0.11
(G) Net asset value per equity share (in ₹/share)(3)	46.90	34.25	28.34
(H) Total borrowings(4)	1,155.92	1,263.32	1,303.11

***Note**: For details in relation to the impact of the COVID-19 pandemic on our revenue from operations and result of operations, see "Management's Discussion and Analysis of Financial Condition and Result of Operations —Unusual or Infrequent Events or Transactions—Impact of the COVID-19 pandemic" on page 356.*

(1) *Calculated as restated net profit after tax, available for equity shareholders divided by the weighted average number of equity shares outstanding during the year, as adjusted for sub-division of equity shares on March 20, 2023 and the bonus issue of Equity Shares on March 24, 2023.*

(2) *Calculated as restated profit for the year divided by the weighted average number of diluted potential equity shares outstanding during the year, as adjusted for sub-division of equity shares on March 20, 2023 and the bonus issue of Equity Shares on March 24, 2023.*

(3) *Calculated as restated Net Worth at the end of the year divided by the number of equity shares outstanding at the end of the year as adjusted for sub-division of equity shares on March 20, 2023 and the bonus issue of Equity Shares on March 24, 2023.*

(4) *Total borrowings represent sum of current borrowings, non- current borrowings and current portion of non-current borrowings.*

For further details, see "*Restated Consolidated Financial Information*" on page 234.

Auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information.

Summary table of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors, Promoters and Group Companies, as of the date of this Draft Red Herring Prospectus, as disclosed in "*Outstanding Litigation and Material Developments*" on page 359, in terms of the SEBI ICDR Regulations and the materiality policy adopted by our Board pursuant to a resolution dated June 30, 2023, is provided below:

Name of Entity	Number of Criminal Proceedings	Number of Tax Proceedings	Number of Statutory or Regulatory Proceedings	Number of Disciplinary Actions by the SEBI or the stock exchanges against our Promoters in the last five Financial Years	Number of Material Civil Proceedings	Aggregate amount involved *(in ₹ million)*(1)
Company						
Against our Company	-	34(3)	6	-	-	66.50
By our Company	7	3(2)	-	-	-	58.49
Directors						
Against our Directors	-	5	-	-	-	137.42
By our Directors	-	-	-	-	1	54.47
Promoters						
Against our Promoters	-	5	-	-	-	0.22

Name of Entity	Number of Criminal Proceedings	Number of Tax Proceedings	Number of Statutory or Regulatory Proceedings	Number of Disciplinary Actions by the SEBI or the stock exchanges against our Promoters in the last five Financial Years	Number of Material Civil Proceedings	Aggregate amount involved *(in ₹ million)*[1]
By our Promoters	-	-	-	-	-	-
Subsidiaries						
Against our Subsidiaries	-	-	-	-	-	-
By our Subsidiaries	-	-	-	-	-	-

(1) To the extent ascertainable by our Company.
(2) Includes three writ petitions filed by the Company against the Central Board of Indirect Tax and Customs pending before the High Court of Gujarat.
(3) Includes three claims made by the Office of the Commissioner of Customs in connection with short-payment of integrated goods and services tax.

As of the date of this Draft Red Herring Prospectus, there are no outstanding legal proceedings involving any of our Group Companies that may have a material impact on our Company.

For further details, see "*Outstanding Litigation and Material Developments*" on page 359.

Risk Factors

For details of the risks applicable to us, see "*Risk Factors*" on page 29.

Summary table of contingent liabilities

The following is a summary of contingent liabilities as of March 31, 2023, derived from our Restated Consolidated Financial Information:

Particulars	As of March 31, 2023
	(in ₹ million)
Disputed excise, service tax and GST matters	58.85
Income tax matters	46.87

Note: *Non-quantifiable contingent liabilities: there are certain on-going legal proceedings against our Company under the provisions of the Goods and Services Tax Act, 2017, Customs Act, 1962, Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Legal Metrology Act, 2009. These matters are at various stages of proceedings and the extent of claims or damages is indeterminate at this stage. The Company is contesting these cases and based on views of external legal counsels and advisors representing our Company, we believe that there will be no future liability which would devolve over the Company in any of these matters. The Company has also filed writ petition before the High Court of Gujarat for matters pertaining to GST.*

Our Company has also filed certain cases under section 138 of the Negotiable Instruments Act, 1881. Our Company is pursuing these cases and has made adequate provisions for doubtful debts in respect of such cases, wherever considered necessary.

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

For further details of the contingent liabilities of our Company, see note 45 to the Restated Consolidated Financial Information included in "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Contingent Liabilities*" on pages 234 and 354, respectively.

Summary of related party transactions

A summary of the related party transactions for the Financial Years 2023, 2022 and 2021 as per Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations and derived from our Restated Consolidated

Financial Information is set out below:

Name of the related party	Nature of transactions	Financial Year ended March 31,		
		2023	2022	2021
		(in ₹ million)		
Assets				
Flair Cyrosil Industries Private Limited	Investment	36.00	-	-
Hauser Lifestyle Products	Purchase of Fixed Assets	7.52	-	-
Flair Pen & Plastic Industries	Purchase of Fixed Assets	2.00	-	-
Expenses				
Flair Writing Equipments Private Limited	Advertisement and Sales promotion expenses	1.08	-	-
Pentel Stationery (India) Private Limited	Advertisement and Sales promotion expenses	-	-	0.02
Hauser Lifestyle Products	Advertisement and Sales promotion expenses	19.94	12.11	2.20
Mr. Khubilal Jugraj Rathod	Director/Managerial Commission	4.80	3.00	1.20
Mr. Jayesh Jain	Director/Managerial Commission	10.42	-	-
Mr. Khubilal Jugraj Rathod	Director/Managerial Remuneration	1.20	-	1.05
Mr. Vimalchand Jugraj Rathod	Director/Managerial Remuneration	4.20	3.60	3.44
Mr. Rajesh Khubilal Rathod	Director/Managerial Remuneration	6.00	2.40	2.29
Mr. Mohit Khubilal Rathod	Director/Managerial Remuneration	6.00	2.40	2.29
Mr. Sumit Rathod	Director/Managerial Remuneration	6.00	2.40	2.29
Mr. Mayur Dhansukhlal Gala	Director/Managerial Remuneration	3.93	3.02	2.01
Mr. Prakash Gupta	Director/Managerial Remuneration	0.07	0.16	0.02
Mr. Vishal Kishor Chanda	Director/Managerial Remuneration	0.81	-	0.12
Mr. Jayesh Jain	Director/Managerial Remuneration	2.81	3.07	2.77
Mr. Khubilal Jugraj Rathod	Interest Expenses	1.12	6.30	8.04
Mr. Vimalchand Jugraj Rathod	Interest Expenses	4.13	9.14	8.06
Mr. Rajesh Khubilal Rathod	Interest Expenses	2.53	7.96	9.73
Mr. Mohit Khubilal Rathod	Interest Expenses	2.12	8.49	10.01
Mr. Sumit Rathod	Interest Expenses	3.54	10.68	11.31
Mrs. Nirmala Khubilal Rathod	Interest Expenses	3.63	3.51	3.14
Mrs. Manjula Vimalchand Rathod	Interest Expenses	0.55	0.55	0.62
Mrs. Shalini Mohit Rathod	Interest Expenses	7.43	7.37	6.71
Mrs. Sonal Sumit Rathod	Interest Expenses	2.58	2.62	2.45
Mrs. Kiemaya Rathod	Interest Expenses	0.17	0.16	0.14
Mrs. Sunita Jain	Interest Expenses	0.27	0.27	0.28
Mrs. Sangita Rajesh Rathod	Interest Expenses	6.82	6.75	6.15
Mr. Khubilal Jugraj Rathod	Re-imbursement of Expenses (Paid)	0.11	-	-
Mr. Vimalchand Jugraj Rathod	Re-imbursement of Expenses (Paid)	0.09	-	-
Flair Pens Ltd.	Re-imbursement of Expenses (Paid)	1.21	1.07	0.97
Hauser Lifestyle Products	Re-imbursement of Expenses (Paid)	-	0.09	-
Flair Writing Equipments Private Limited	Re-imbursement of Expenses (Paid)	-	0.02	0.14
Flair Cyrosil Industries Private Limited	Re-imbursement of Expenses (Paid)	0.19	-	-
Mr. Khubilal Jugraj Rathod	Rent Expenses	0.64	0.61	0.61
Mr. Vimalchand Jugraj Rathod	Rent Expenses	1.59	1.56	1.04
Mrs. Nirmala Khubilal Rathod	Rent Expenses	2.28	2.28	2.23
Mrs. Manjula Vimalchand Rathod	Rent Expenses	2.28	2.28	2.23
Flair Pens Ltd.	Rent Expenses	16.18	16.04	15.80
Flair Pen & Plastic Industries	Rent Expenses	13.66	10.08	9.84
Rathod N Rathod	Rent Expenses	0.18	0.18	0.18
Vimalchand Rathod (HUF)	Rent Expenses	-	-	0.49
Flair Writing Aids	Rent Expenses	0.34	-	-

Name of the related party	Nature of transactions	Financial Year ended March 31,		
		2023	2022	2021
		(in ₹ million)		
Flair Writing Equipments Private Limited	Purchase of Goods	37.89	1.28	3.85
Pentel Stationery (India) Private Limited	Purchase of Goods	60.64	30.47	14.56
Hauser Lifestyle Products	Purchase of Goods	68.05	2.97	0.22
Pentel Stationery (India) Private Limited	Purchase of Licences	-	6.01	-
Hauser Lifestyle Products	Purchase of Licences	0.11	-	-
Income				
Flair Writing Equipments Private Limited	Interest Income	16.75	5.30	2.40
Flair Cyrosil Industries Private Limited	Interest Income	3.24	-	-
Hauser Lifestyle Products	Labour and Moulding Charges (Received)	-	0.86	0.25
Flair Pens Limited	Re-imbursement of Expenses (Received)	0.01	-	-
Hauser Lifestyle Products	Re-imbursement of Expenses (Received)	-	-	0.27
Flair Writing Equipments Private Limited	Rent Income	4.44	1.50	1.50
Flair Writing Equipments Private Limited	Sale of Fixed Assets	1.15	4.54	4.22
Hauser Lifestyle Products	Sale of Fixed Assets	-	0.04	-
Flair Writing Equipments Private Limited	Sale of Goods	75.35	23.17	37.07
Pentel Stationery (India) Private Limited	Sale of Goods	13.41	1.21	5.67
Hauser Lifestyle Products	Sale of Goods	17.12	11.04	5.42
Flair Writing Equipments Private Limited	Sale of Licences	0.28	-	-
Hauser Lifestyle Products	Sale of Licences	-	2.08	-
Mr. Punit Saxena	Sitting Fees	0.02	-	-
Mr. Manoj Vinod Lalwani	Sitting Fees	0.02	-	-
Mr. Rajneesh Bhandari	Sitting Fees	0.13	-	-
Mrs. Sangeeta Sethi	Sitting Fees	-	0.04	0.07
Mr. Arun Mohan Jain	Sitting Fees	-	0.06	-
Mr. Bishan Singh Rawat	Sitting Fees	0.16	0.04	0.03
Flair Writing Equipments Private Limited	Loans Given	234.00	153.72	96.56
Flair Cyrosil Industries Private Limited	Loans Given	172.23	-	-
Flair Writing Equipments Private Limited	Loans Repaid (Given)	49.00	85.08	46.60
Flair Cyrosil Industries Private Limited	Loans Repaid (Given)	14.62	-	-
Liabilities				
Mr. Khubilal Jugraj Rathod	Loan Repaid	36.54	89.23	23.82
Mr. Vimalchand Jugraj Rathod	Loan Repaid	107.83	40.70	114.44
Mr. Rajesh Khubilal Rathod	Loan Repaid	108.99	97.63	40.35
Mr. Mohit Khubilal Rathod	Loan Repaid	113.71	87.44	36.29
Mr. Sumit Rathod	Loan Repaid	155.83	73.49	50.86

Name of the related party	Nature of transactions	Financial Year ended March 31,		
		2023	2022	2021
		(in ₹ million)		
Mrs. Nirmala Khubilal Rathod	Loan Repaid	2.08	0.32	1.22
Mrs. Manjula Vimalchand Rathod	Loan Repaid	0.55	0.05	3.06
Mrs. Sangita Rajesh Rathod	Loan Repaid	4.64	4.68	3.02
Mrs. Shalini Mohit Rathod	Loan Repaid	6.19	4.25	4.27
Mrs. Sonal Sumit Rathod	Loan Repaid	2.48	2.81	2.11
Mr. Khubilal Jugraj Rathod	Loan Taken	2.87	9.92	9.75
Mr. Vimalchand Jugraj Rathod	Loan Taken	6.91	12.61	122.56
Mr. Rajesh Khubilal Rathod	Loan Taken	53.15	13.14	8.47
Mr. Mohit Khubilal Rathod	Loan Taken	40.09	11.48	9.25
Mr. Sumit Rathod	Loan Taken	37.77	12.03	27.41

For details of the related party transactions, see note 39 to our Restated Consolidated Financial Information included within "*Restated Consolidated Financial Information*" on page 234.

Details of all financing arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors or their relatives have financed the purchase by any person of securities of our Company (other than in the normal course of business of the relevant financing entity) during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the specified securities were acquired by our Promoters and the Selling Shareholders, in the last one year

Except as disclosed below, our Promoters and Selling Shareholders have not acquired any Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus.

Name of the Shareholder	Number of Equity Shares acquired[(2)]	Weighted average price of acquisition per Equity Share *(in ₹)*[(1)]
Promoters		
Mr. Khubilal Jugraj Rathod[(3)]	9,338,880	Nil
Mr. Vimalchand Jugraj Rathod[(3)]	7,004,160	Nil
Selling Shareholders		
Mrs. Nirmala Khubilal Rathod	4,669,440	Nil
Mrs. Manjula Vimalchand Rathod	4,669,440	Nil
Mr. Rajesh Khubilal Rathod	4,669,440	Nil
Mr. Mohit Khubilal Rathod	4,669,440	Nil
Mr. Sumit Rathod	4,669,440	Nil
Mrs. Sangita Rajesh Rathod	2,334,720	Nil
Mrs. Shalini Mohit Rathod	2,334,720	Nil
Mrs. Sonal Sumit Rathod	2,334,720	Nil

(1) *As certified by the Statutory Auditors pursuant to the certificate dated July 14, 2023.*
(2) *Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 20, 2023 with the record date as March 24, 2023 is considered for calculation of weighted average price of acquisition in the last one year.*
(3) *Also a Selling Shareholder.*

Average cost of acquisition of shares for our Promoters and the Selling Shareholders

The average cost of acquisition of Equity Shares for our Promoters and Selling Shareholders as on the date of this Draft Red Herring Prospectus is as set out below:

Name of the Shareholder	Number of Equity Shares held	Average cost of acquisition per Equity Share *(in ₹)*[(1)(3)]
Promoters		
Mr. Khubilal Jugraj Rathod[(2)]	18,677,760	4.59
Mr. Vimalchand Jugraj Rathod[(2)]	14,008,320	4.59

Name of the Shareholder	Number of Equity Shares held	Average cost of acquisition per Equity Share *(in ₹)*(1)(3)
Selling Shareholders		
Mrs. Nirmala Khubilal Rathod	9,338,880	4.59
Mrs. Manjula Vimalchand Rathod	9,338,880	4.59
Mr. Rajesh Khubilal Rathod	9,338,880	4.59
Mr. Mohit Khubilal Rathod	9,338,880	4.59
Mr. Sumit Rathod	9,338,880	4.59
Mrs. Sangita Rajesh Rathod	4,669,440	4.59
Mrs. Shalini Mohit Rathod	4,669,440	4.59
Mrs. Sonal Sumit Rathod	4,669,440	4.59

(1) As certified by the Statutory Auditors pursuant to the certificate dated July 14, 2023.
(2) Also a Selling Shareholder.
(3) Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 20, 2023 with the record date as March 24, 2023 is considered for calculation of average cost of acquisition in the last one year.

Details of price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by our Promoters, the Promoter Group, the Selling Shareholders or Shareholder(s) with rights to nominate Director(s) or other special rights

Except as disclosed below, none of our Promoters, members of our Promoter Group, Selling Shareholders or Shareholder(s) with rights to nominate Director(s) or other special rights have acquired Equity Shares in the last three years preceding the date of this Draft Red Herring Prospectus.

The price at which Equity Shares were acquired in the last three years by our Promoter, the members of the Promoter Group and other Shareholders, is as below:

Name	Category	Date of acquisition	Number of Equity Shares acquired	Acquisition price per Equity Share *(in ₹)*(1)
Mr. Khubilal Jugraj Rathod(4)	Promoter	March 24, 2023(2)	9,338,880	Nil
Mr. Vimalchand Jugraj Rathod(4)	Promoter	March 24, 2023(2)	7,004,160	Nil
Mrs. Nirmala Khubilal Rathod(4)	Promoter Group	March 24, 2023(2)	4,669,440	Nil
Mrs. Manjula Vimalchand Rathod(4)	Promoter Group	March 24, 2023(2)	4,669,440	Nil
Mr. Rajesh Khubilal Rathod(4)	Promoter Group	March 24, 2023(2)	4,669,440	Nil
Mr. Mohit Khubilal Rathod(4)	Promoter Group	March 24, 2023(2)	4,669,440	Nil
Mr. Sumit Rathod(4)	Promoter Group	March 24, 2023(2)	4,669,440	Nil
Mrs. Sangita Rajesh Rathod(4)	Promoter Group	March 24, 2023(2)	2,334,720	Nil
Mrs. Shalini Mohit Rathod(4)	Promoter Group	March 24, 2023(2)	2,334,720	Nil
Mrs. Sonal Sumit Rathod(4)	Promoter Group	March 24, 2023(2)	2,334,720	Nil

(1) As certified by the Statutory Auditors, pursuant to the certificate dated July 14, 2023.
(2) Equity Shares allotted pursuant to a bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held pursuant to a resolution passed by our Board at their meeting dated March 24, 2023.
(3) Also a Selling Shareholder.

Our Shareholders do not have special rights such as right to nominate directors on the Board of our Company or any other rights.

Weighted average cost of acquisition for all Equity Shares transacted over the preceding three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus

Period	Weighted Average Cost of Acquisition (WACA) *(in ₹)*(1)	Upper end of the Price Band is 'X' times the WACA(1)(2)	Lower end of the Price Band is 'X' times the WACA(1)(2)	Range of acquisition price: Lowest Price – Highest Price *(in ₹)*(1)
Last three years	Nil	[●]	[●]	Nil
Last 18 months	Nil	[●]	[●]	Nil
Last one year	Nil	[●]	[●]	Nil

(1) As certified by the Statutory Auditors, pursuant to the certificate dated July 14, 2023.
(2) Information will be included after finalization of the Price Band.
(3) Note: The Company has done only one allotment in the last three years:

(i) *The bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held by the Shareholders authorized by resolution passed by the Shareholders dated March 20, 2023 with the record date as March 24, 2023.*

The cost of both the above allotments is nil and therefore, the weighted average cost of acquisition for all periods is nil for those allotments.

Pre-IPO Placement

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹730.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

Issuance of equity shares in the last one year for consideration other than cash

Except as disclosed below, our Company has not issued any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus for consideration other than cash:

Pursuant to resolution passed by our Board in its meeting held on March 24, 2023, our Company had issued 46,694,400 bonus Equity Shares (of face value of ₹5 each) in the one year immediately preceding the date of this Draft Red Herring Prospectus. For further details, see "*Capital Structure—Notes to Capital Structure—Share Capital History of our Company*" on page 80.

Split/consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to resolutions passed by our Board at its meeting dated March 18, 2023 and the Shareholders at their EGM dated March 20, 2023, our Company has sub-divided its equity shares of face value of ₹10 each to equity shares of face value of ₹5 each. For further details, see "*Capital Structure—Notes to Capital Structure—Share Capital History of our Company*" on page 80.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not applied for or received any exemption from complying with any provisions of securities laws from SEBI.

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 its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

Our Company's and each of our Subsidiaries' Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that 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.

Unless the context requires otherwise or as otherwise stated, the financial information in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Information, as at and for the Financial Years 2023, 2022 and 2021, comprising the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss and other comprehensive income, the restated consolidated statement of cash flows and restated consolidated statement of changes in equity for the Financial Years March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI, as amended from time to time.

Ind AS, U.S. GAAP and IFRS differ in certain significant respects from other accounting principles and standards with which investors may be more familiar. We have not made any attempt to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS or any other accounting principles or standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see "*Risk Factors—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"* on page 60. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. 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, 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, or to the nearest whole number. All figures in diagrams and charts, including those relating to financial information, operational metrics and key performance indicators, have been rounded to the nearest decimal place, whole number, thousand or million, as applicable.

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 29, 161 and 318, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information.

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we use a variety of financial and operational performance indicators like Net Profit Ratio, Return on Investment, Current Ratio, Debt Service Coverage Ratio, Inventory Turnover Ratio, Trade Receivables Turnover Ratio, Trade Payable Turnover Ratio and Net Capital Turnover Ratio (together, “**Non-GAAP Measures**”) presented in this Draft Red Herring Prospectus, to measure and analyse our financial and operational performance from period to period. We use the above-mentioned non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. These non-GAAP measures are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity, profitability or cash flows generated by operating, investing or financing activities under Ind AS, Indian GAAP, IFRS or U.S. GAAP.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information may be different from similarly titled Non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

Also see “*Risk Factors—We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operating and financial performance in this Draft 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*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Measures*” on pages 54 and 321, respectively.

Currency and Units of Presentation

All references to:

- “₹” or “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India;
- “US$” or “USD” are to the United States Dollars, the official currency of the United States of America;
- “EUR” or “€” are to Euro, the official currency of the European Union;
- “GBP” or “£” are to British pound, the official currency of the United Kingdom;
- “CHF” are to Swiss Franc, the official currency of Switzerland and the Principality of Liechtenstein; and
- “JPY” are to Yen, the official currency of Japan.

Certain numerical information has been presented in this Draft Red Herring Prospectus in “million” units. 1,000,000 represents ten lakh or one million and 1,000,000,000 represents one hundred crore or 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**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
	(in ₹)		
1 USD[(1)]	82.22	75.81	73.50
1 EUR[(1)]	89.61	84.66	86.10
1 GBP[(1)]	101.87	99.55	100.95
1 CHF[(2)]	89.32	86.92	95.31
1 JPY[(1)]	61.8	62.23	66.36

(1) *Source: www.fbil.org.in.*
(2) *Source: www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html*
Note: Exchange rate is rounded off to two decimal places

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 2023 and titled "*An assessment of writing and creative instruments industry and steel bottle industry in India*" that has been prepared by CRISIL Market Intelligence and Analytics (MI&A), a division of CRISIL Limited (the "**CRISIL Report**"), 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 "*Industry Overview*", "*Our Business*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on pages 134, 161, 29 and 318, respectively, has been derived from the CRISIL Report. The CRISIL Report is available on the website of our Company at www.flairworld.in/investor-relation.html. The CRISIL Report is subject to the following disclaimer:

"CRISIL Market Intelligence & Analytics, 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). 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. 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 Market Intelligence & Analytics operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Market Intelligence & Analytics and not of CRISIL Ratings Limited. 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—Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by us exclusively in connection with the Offer"* on page 53.

These industry sources and publications are 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. 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 29. 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 120 includes information relating to our peer group companies.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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", "are likely", "believe", "continue", "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. However, these are not the exclusive means of identifying 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 success is dependent upon our ability to respond and adapt to consumer needs and maintain an optimal product mix in terms of production volumes and profitability in the writing instruments industry.
- A significant portion of our revenue is derived from the sale of our products under the "Flair", "Hauser" and "Pierre Cardin" brands.
- Any disruption in our distribution network in India and overseas could have a material adverse effect on our business, operations, prospects or financial results.
- 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.
- 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 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.
- Operating in a competitive business environment and competition from existing players and new entrants in the industry could have a material adverse effect on our business, prospects, operations or financial results.
- Our expansion into new product categories and an increase in the number of products offered may expose us to new challenges and more risks.
- 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.

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 29, 161 and 318, 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 and are not a guarantee of future performance.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given the uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

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 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 ICDR Regulations, our Company, the BRLMs and the Selling Shareholders will ensure that investors are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment pursuant to the Offer. In accordance with regulatory requirements including requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders will, severally and not jointly, ensure that investors in India are informed of material developments in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares from the date of the Red Herring Prospectus until the date of Allotment pursuant to the Offer. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder about or in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

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 in this section are those that we consider to be the most significant to our business, results of operations and financial condition as of the date of this Draft Red Herring Prospectus. 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 "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 161, 134 and 318, 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 27.

*Unless otherwise indicated, the industry and market related information in this section is derived from the report titled "An assessment of writing and creative instruments industry and steel bottle industry in India" dated June 2023 prepared by CRISIL (the "**CRISIL Report**"). CRISIL was appointed pursuant to an engagement letter dated April 14, 2023 entered into with our Company. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer. A copy of the CRISIL Report shall be available on the website of our Company at www.flairworld.in/investor-relation.html. Unless otherwise indicated, 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 Restated Consolidated Financial Information of our Company. In this section, any reference to the "Company" or "our Company" refers to Flair Writing Industries Limited on a standalone basis and any reference to "we", "us" or "our" refers to Flair Writing Industries Limited together with our Subsidiaries 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 and the FDPL Scheme, considered together or individually, as applicable.

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 in the writing instruments industry. Any 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, operations, prospects or financial results.***

Our product offerings include pen products (ball pens, fountain pens, gel pens, roller pens and metal pens), which is our largest category in terms of number of products offered. If we are unable to introduce new products and respond to changing consumer preferences in a timely and effective manner in this category, 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 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.

According to CRISIL, the mass-market subsegment which is priced between ₹5 and ₹15 occupied a larger share in the overall pen segment, as of Financial Year 2023. We may be unable to increase the prices of products targeting the mass-market segment as any increase or change in prices, 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.

We have expanded our operations and experienced growth in recent years. Our revenue from operations, profit after tax, EBITDA and return on capital employed ratio having grown at a CAGR of 77.86%, 992.77%, 133.21% and 200.03%, respectively, from Financial Year 2021 to Financial Year 2023. As part of our strategy, we continuously refine and diversify our product mix and allocate resources to focus on key products, price points and geographies. For instance, we launched 71 mid-premium and premium pen and stationery products in the Financial Year 2023. For details, see "*Our Business—Our Strategy*" on page 171. 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", introducing "ZOOX" in India, launching a range of "Flair Creative" products and undertaking manufacturing for international brands as an OEM in order to capitalize on the existing market for such brands and expanding our production volumes, sales and revenues. We also seek to focus on growing our existing product portfolio and diversification of our product range, emphasise on mid-premium segment and premium segment to increase margins, continue to increase production capacity and enhance capacity utilization, strategically expand exports, deepen our sales and distribution network and further strengthen our brands.

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.

Certain products cater to similar price ranges and consumers across different brands. As a result, such 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 derive a significant portion of our revenue from the sale of our products under the "Flair", "Hauser" and "Pierre Cardin" brands, and any harm to such brands or reputation may adversely affect our business, financial condition, cash flows and results of operations.***

We believe that the recognition and reputation of our flagship brand, "Flair" and our principal brands, "Hauser" and "Pierre Cardin" among our customers, distributors, suppliers and others has contributed to the growth and success of our business. Maintaining and enhancing the recognition and reputation of such brands is critical to our success.

Details of our revenue from operations from sale of our products under the "Flair", "Hauser" and "Pierre Cardin" brands for the Financial Years indicated, are set out below:

Brand	**Financial Year**					
	2023		**2022**		**2021**	
	Revenue from operations *(in ₹ million)*	**Contribution to revenue from operations** *(in %)*	**Revenue from operations** *(in ₹ million)*	**Contribution to revenue from operations** *(in %)*	**Revenue from operations** *(in ₹ million)*	**Contribution to revenue from operations** *(in %)*
Flair	4,719.43	50.06	2,511.94	43.51	1,273.06	42.72
Hauser	2,170.69	23.03	861.08	14.91	373.42	12.53
Pierre Cardin	557.58	5.92	375.98	6.51	152.02	5.10
Others	1,978.90	20.99	2,024.98	35.07	1,181.38	39.65
Total	9,426.60	100	5,773.98	100	2,979.88	100

The concentration of a majority of our products under the "Flair", "Hauser" and "Pierre Cardin" brands may also expose us to unforeseen risks if such brands become undesirable to our customers, or if our competitor brands become more desirable to customers. If we are unable to maintain our reputation, enhance brand recognition or increase positive awareness of our products, it may be difficult to maintain and grow our consumer base, and our business operations, financial condition, cash flows and results of operations may be adversely affected.

3. ***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 19 countries in North 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. If any super-stockist discontinues its relationships with us, fails to meet sales targets or reduces purchases from us, terminates its operations in a certain area, the demand for and sales of our products could decline, which would materially and adversely affect our business, operations, prospects and financial results. For instance, one of our super-stockist in Nashik (Maharashtra), halted its operations during the lockdowns imposed due to the COVID-19 pandemic, as a result of which we had to appoint a new super-stockist for such area.

In India, we invoice and sell our products to super-stockists, who resell to distributors at prices determined by our Company. Outside India, we invoice and sell our products to distributors, who resell to customers. We receive payments directly from the super-stockists irrespective of onward sales to distributors/direct dealers. In the Financial Years 2021, 2022 and 2023 we derived 38.16%, 46.36% and 59.70% of our revenue from operations, respectively, from sales to super-stockists, excluding our in-house super-stockist for the Mumbai region operated by the Flair Sporty division of our Company. Our agreements with the super-stockists do not provide for purchase commitments and our sales are based on purchase orders from super-stockists, who aggregate orders from distributors/ direct dealers. 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, and the super-stockists are responsible for collection of payments from the distributors.

In the Financial Years 2021, 2022 and 2023, out of our approximately 131 super-stockists as of March 31, 2023, our top five super-stockists accounted for an aggregate of 17.09%, 14.55% and 16.60%, respectively of our sale of products (domestic) and out of our 54 international distributors as of March 31, 2023, our top five distributors accounted for an aggregate of 25.30%, 21.98% and 33.43% of our sale of products (exports), respectively.

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.

4. *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. While some of our brands are well established and enjoy a high brand recall amongst our customers, we seek to continue to enhance brand awareness of our other brands. 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.

5. *Our business and operations had been adversely impacted by the COVID-19 pandemic and the future impact on our business, operations and financial performance is uncertain and could continue for an unknown period of time.*

The outbreak of the COVID-19 pandemic, its continuing impact and recent developments, as well as government measures to reduce the spread of COVID-19, have had a substantial impact on our business and operations since early 2020. In response to the pandemic, governments around the world have implemented measures such as travel restrictions, quarantines, shelter-in-place orders, border closures and other measures that have had, and will continue to have, if these measures are extended or re-introduced, a significant negative on our ability to source raw materials, manufacture/ distribute products and export efficiently.

As a result of the COVID-19 pandemic, our revenue from operations were subject to volatility and fluctuation, primarily due to the temporary disruptions in certain of our suppliers', super-stockists' and distributors' business operations caused by the COVID-19 outbreak and due to closure of education institutions. For details, see "*Management's Discussion and Analysis of Financial Condition and Result of Operations—Unusual or Infrequent Events or Transactions—Impact of the COVID-19 pandemic*". According to CRISIL, in the Financial Year 2021, due to the COVID-19 pandemic, there was closure of the schools and institutions resulting in subdued demand for the products, leading to a decline of approximately 39% in Financial Year 2021 for the industry. Further, during the initial lockdowns, manufacturing facilities were shut down for 14 days and were operational intermittently for two months. Our offices were closed for a month and became operational gradually, only after such restrictions were relaxed by the local governments.

The spread of COVID-19 has caused us to modify our business practices (including stricter credit and cost control), and we may take further actions in the future if the same is required by government authorities or is determined to be in the best interests of our employees, distributors, customers and suppliers. Resurgence of the virus or a variant of the virus may cause significant economic disruption in India and the rest of the world as well as potential reimpositions of lockdowns which could give rise to a recessionary economic scenario of uncertain duration in India and globally. These measures have impacted and may have a further impact on our business, financial situation and operations. Moreover, existing insurance coverage may not provide sufficient protection for all the costs that may arise from all such possible events.

The global macroeconomic effects of the COVID-19 pandemic and related impact on demand for our products may potentially persist for an indefinite period, even after the COVID-19 pandemic has subsided. Despite the declining effect of COVID-19, the full extent of its impact on our business, financial position, and results of operations may not be known for an extended period and will depend on future developments, many of which are outside of our control, including the evolution, duration and spread of the COVID-19 pandemic, the availability and effectiveness of the COVID-19 vaccines, and related potential unpredictable actions to be taken by state, local and international governments. If the pandemic worsens, the potential adverse impacts of the pandemic could be prolonged and may become severe. The fluidity of this situation limits our ability to predict the ultimate impact of the COVID-19 on our business, financial condition, performance and productivity as well as on our employees, distributors, customers and suppliers, which could be material.

6. ***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 on 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 46. 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.

Set out below are our power and fuel expenses including as a percentage of our total expenses for the Financial Years indicated.

	Financial Year 2023	**Financial Year 2022**	**Financial Year 2021**
Power and fuel expenses *(in ₹ million)*	199.35	139.39	84.41
Power and fuel expenses (as a % of total expenses)	2.51	2.71	2.73

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. We share certain of our manufacturing facilities with our Subsidiaries and disruption at such facilities will affect our Company and our Subsidiaries' operations simultaneously. While we have not had any such instance in the past, any disruption at the manufacturing facilities we share with our Subsidiaries may adversely affect our business and financial results. 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 or that we will be able to utilise the time during power failures for routine maintenance work. We do not have adequate alternate power sources such as generators installed at all our manufacturing plants. 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 March 31, 2023, we employed a total of 5,622 full-time employees and 1,098 persons are employed on a contractual basis, primarily for manufacturing activities. Although we employ such contract labour through independent contractors for performance of certain of our operations, we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. 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, prospects or financial results.

7. ***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, available market information and software application that enables tracking of secondary sales. 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. 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.

8. ***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 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. Our principal competitors in the Indian writing and creative instruments industry include BIC Cello, Camlin, DOMS, Hindustan Pencils, Linc, Luxor and Reynolds, according to CRISIL. Consumers often purchase items on an impulse and buy brands that are available with or offered by retailers. At times, retailers offer products from local manufacturers or unbranded items at lower prices or in 'combo-offers' with other stationery items. In addition, organized players are expected to experience significant faster growth when compared to unorganized players between Financial Year 2023 and 2028, according to CRISIL. 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 sub-segment comprising writing instruments sold at prices between ₹5 and ₹15, according to CRISIL. 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 that are 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. Following the COVID-19 pandemic, there has been an increased emphasis on e-learning and digitalisation, according to CRISIL. According to CRISIL, there has been a customer shift towards note taking applications, typing over writing, and sketching apps, 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.

9. ***Our expansion into new product categories and an increase in the number of products offered may expose us to new challenges and more risks.***

In March 2023, we commenced manufacturing of steel bottles through one of our Subsidiaries, FCIPL. According to CRISIL, the steel bottles industry is highly fragmented and dominated by unorganised players. The Indian steel bottle industry is primarily reliant on imports for its manufacturing needs, with a limited number of companies engaged in in-house production, according to the CRISIL. We have recently forayed into manufacturing a wide range of houseware products including casseroles, bottles, storage containers, serving solutions, cleaning solutions and basket and paper bins, through one of our Subsidiaries, FWEPL. While we expect such businesses to be a key area of our growth going forward, we may be exposed to potential risks, including risks associated with its integration, diminishing of our operational efficiencies, unforeseen or hidden liabilities, the diversion of resources from our existing businesses, which could significantly disrupt our ability to manage our business and adversely affect our financial condition and results of operations. In addition, setting up lines of operation is capital intensive. Our key competitors in the Indian homeware industry include Borosil Limited, Cello Household Products Private Limited, Hamilton Housewares Private Limited and Placero International Private Limited, according to CRISIL. Further, such new product categories require us to understand or make informed judgements as to consumer demands, trends and preferences. We may misjudge consumer demands, and trends and preferences for new products, and face challenges in controlling quality, regulatory requirements, handling, storage and delivery of such new products. We may also need to price aggressively in these new categories to obtain traction with consumers, which would adversely affect our margins. Therefore, if we are unable to achieve the anticipated level of growth, it could have an adverse impact on our business, results of operations, financial condition and cash flows.

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 and distributors in underpenetrated markets within India and abroad.

Details of our revenue from operations including from sale of products for the periods indicated, are set out below:

Particulars	**Financial Year**		
	2023	**2022**	**2021**
Total number of super-stockists	131	125	84
In India	131	125	84
Outside India	0	0	0
Total number of distributors/dealers	7,754	7,307	5,638
In India	7,700	7,255	5,590
Outside India	54	52	48
Revenue from operations *(in ₹ million)*	9,426.60	5,773.98	2,979.88
Year-on-year growth (*in %)*	63.26	93.77	-
Sale of products (domestic) *(in ₹ million)*	7,478.21	4,342.05	1,824.01
As a percentage of total revenue (*in %)*	79.33	75.20	61.21
Sale of products (exports) *(in ₹ million)*	1,847.05	1,345.64	1,081.71
As a percentage of total revenue (*in %)*	19.59	23.31	36.30

In the Financial Year 2023, we expanded our distribution network in existing markets within India and commenced exports to new markets such as Belize, Ghana, Spain, Hong Kong and Malaysia. 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 2023, our sale of products to Egypt was ₹0.02 million compared to ₹16.20 million in the Financial Year 2015. In the Financial Year 2019, we did not make any exports to Egypt. 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. ***As of the date of this Draft Red Herring Prospectus, 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, operations, prospects or financial results may be materially and adversely affected.***

As of the date of this Draft Red Herring Prospectus, our Company has registered 144 trademarks in India. We have also registered certain trademarks in countries/ territories such as the United States, the European Union, the United Kingdom, China and Australia. 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. We have registered trademarks in relation to our "Flair" brand including a wordmark, device and a logo under class 16. For further details, see "*Our Business—Intellectual Property*" on page 188. 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. Our trademark rights may not prevent our competitors from developing, using or commercializing products that are similar to our products. Competitors have been known to launch similar products to target customers, which creates a lack of product differentiation from the original manufacturers in the writing and creative instrument industry, according to CRISIL. 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.

As on the date of this Draft Red Herring Prospectus, we have filed applications in India for registration of various trademarks, which are currently pending at various stages. Our applications in relation to certain trademarks, including "BEAST" and "FLAIRFUN" under class 16, are currently pending in India. Our Company has opposed the registration of trademarks including "Thermo Hauser", "ZiZiFlair", "Flair" and "OXY" by third parties.

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, some of the trademarks are yet to be transferred in our Company's name.

Our Company acquired "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. 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" trademark 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 NPPI as the registered proprietor of such "Hauser" trademarks. Also see "*Our Business—Description of our Business—Brands and Products*" on page 174. 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 dated June 29, 2018 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.

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. 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.

12. ***We have not entered into any definitive agreements to use a portion of the proceeds of the Offer, including for setting up a new manufacturing facility for writing instruments at District Valsad, Gujarat. 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 funding capital expenditure of our Company to set up a new manufacturing facility for writing instruments at District Valsad, Gujarat and funding capital expenditure of our Company and FWEPL. For details, see "*Objects of the Offer*" on page 96. Such expansion of our manufacturing capacity may be subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, labour shortages, delays in receiving or non-receipt of governmental, statutory and other regulatory approvals as we apply for them at various stages of the project, incremental pre-operating expenses, unforeseen taxes and duties, interest and finance charges, environment and ecology costs and other external factors which may not be within the control of our management. As on the date of this Draft Red Herring Prospectus, although we have entered into a memorandum of understanding dated July 4, 2023 for acquisition of land to set up the new manufacturing facility for writing instruments which will be acquired by our Company from our internal accruals prior to filing of the Red Herring Prospectus, we have not yet entered into any definitive agreement or applied for approval for conversion of such land from agriculture to industrial use and do not have any definite and specific commitments for acquisition of land to set up such manufacturing facility. Further, there can be no assurance that we will purchase the identified land parcel or conclude such agreements or commitments on terms anticipated by us, or at all and may be forced to identify an alternative land parcel for the purpose of this object. We cannot assure you that such expansion plans will be successfully implemented or will be implemented in accordance with the schedule of its implementation. Further, such expansion projects have a long gestation period before they are operational or generate profit. 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.

13. ***An increase in the cost of or a shortfall in the availability of raw materials from our suppliers due to various reasons could have a material adverse effect on our business, operations, prospects or financial results as we may not be able to pass on such costs to our customers. We do not have long term contracts with our suppliers and we depend on a limited number of supplier for certain raw materials.***

We primarily depend on third party suppliers for the supply of reasonably priced and quality raw materials such as plastic powder, metal parts, metal coils, silicon, ink, tips, followers, packaging material, wax material and foil in the quantities required by us.

Set out below is the cost of materials consumed including as a percentage of our revenue from operations for the

Financial Years indicated.

Particulars	**Financial Year 2023**	**Financial Year 2022**	**Financial Year 2021**
Cost of materials consumed *(in ₹ million)*	5,087.69	3,081.94	1,664.24
Cost of materials consumed (as a % of revenue from operations)	53.97	53.38	55.85

Our suppliers may be unable to provide us with sufficient quantity of raw materials at a suitable price or within the required time 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, crude oil prices, production and transportation cost, and government policies. We face risks related to supplier concentration in respect of one of our key raw materials, *i.e.*, ink, which accounted for 10.12% of our cost of materials consumed in the Financial Year 2023. We primarily source our requirements of ink from approximately seven 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 77.00% of our revenue from operations in the Financial Year 2023, 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 owing to the non-availability or limited availability of qualified suppliers.

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.

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 28.14% of our cost of materials consumed (purchases) in the Financial Year 2023. 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. Packaging material and tips accounted for 17.58% and 11.69%, respectively, of our cost of materials consumed (purchases) in the Financial Year 2023. 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.

We operate in the highly competitive Indian writing instruments industry. Particularly, in the mass-market sub-segment, which comprises writing instruments sold at prices between ₹5 and ₹15, we may be unable to increase the prices of our products in this segment targeted at students as any increase in prices (deviation from denominations that are multiples of ₹5) may shift demand to some other brand, according to CRISIL. 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 at times 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.

14. ***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 financials 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. For instance, in December 2022, our products worth ₹220,471 were damaged in transit from one of our warehouses to one of our distributors due to a fire accident. 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.

15. ***We have significant working capital requirements and the objects of the Offer include funding working capital requirements of our Company and our Subsidiaries, which is based on certain assumptions and estimates. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial conditions.***

The Objects of the Offer include funding working capital requirements of our Company and our Subsidiaries, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, see "*Objects of the Offer—Details of the Objects–Funding working capital requirements of our Company and our Subsidiaries, FWEPL and FCIPL"* on page 106. One of the Subsidiaries, FCIPL, for which working capital is proposed to be funded from the proceeds of the Offer commenced operations in March 2023. Our business requires significant working capital, including in connection with our manufacturing operations. The actual amount of our future working capital requirements may differ from estimates as a result of, among other factors, unanticipated expenses, fluctuations in raw material prices, economic conditions, growth in revenue, changes in the terms of our financing arrangements, changes in the credit terms of customers and suppliers, inventory fluctuations, additional market developments and new opportunities in the writing instruments business.

Our sources of additional financing, required to meet our working capital needs, may include the incurrence of debt in the form of additional working capital limits, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations and undertake certain types of transactions.

In many cases, a significant amount of our working capital is required to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result in increases in the amount of our receivables and may result in increases in any future short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition.

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 96. Any delay in the Offer may have an adverse effect on our business, operations, cash flows and financial condition.

16. ***There are legal proceedings pending involving our Company, our Promoters and our Directors 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, our Promoters and our Directors 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, Directors, Promoters and Subsidiaries is set out below.

Name of Entity	Number of Criminal Proceedings	Number of Tax Proceedings	Number of Statutory or Regulatory Proceedings	Number of Disciplinary Actions by the SEBI or the stock exchanges against our Promoters in the last five Financial Years	Number of Material Civil Proceedings	Aggregate amount involved *(in ₹ million)*[(1)]
Company						
Against our Company	-	34[(3)]	6	-	-	66.50
By our Company	7	3[(2)]	-	-	-	58.49
Directors						
Against our Directors	-	5	-	-	-	137.42
By our Directors	-	-	-	-	1	54.47
Promoters						
Against our Promoters	-	5	-	-	-	0.22
By our Promoters	-	-	-	-	-	-
Subsidiaries						
Against our Subsidiaries	-	-	-	-	-	-
By our Subsidiaries	-	-	-	-	-	-

(1) To the extent ascertainable by our Company.
(2) Includes three writ petitions filed by the Company against the Central Board of Indirect Tax and Customs pending before the High Court of Gujarat.
(3) Includes three claims made by the Office of the Commissioner of Customs in connection with short-payment of integrated goods and services tax.

For further details, see *"Outstanding Litigation and Material Developments"* on page 359. We cannot assure you that any of the outstanding litigation matters will be settled in our favor. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and may have an adverse effect on our business, cash flows, financial condition and reputation.

In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products, our production processes and/or our intellectual property, our branding or marketing efforts or campaigns or any other acts or omissions. There can be no assurance that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

Additionally, Mr. Nripendra Kashyap has filed a complaint dated October 31, 2018 before the State Consumer Disputes Redressal Commission (the "**Commission**") at New Delhi against our Company. The complainant has alleged that our Company has engaged in "unfair trade practices" based on misleading advertisements and sub-standard quality of pens under certain brands. The complainant has also prayed for, *inter alia*, a refund of the amount spent by him to purchase our Company's products worth (₹7,112), the payment of ₹4.00 million as damages (together with interest) and an order directing our Company to issue corrective advertisements and modified packaging. Our Company has filed a reply. This matter is currently pending.

17. ***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 do not have contractual arrangements with such third party vendors.***

We procure certain components 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 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 Naigaon 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.

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

We manufacture writing instruments as an OEM for export and domestic markets for certain international companies. Our OEM customers' decisions to outsource manufacturing are affected by competitive terms from suppliers including our Company, policies of such OEM customers 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 agreements, our customers typically have a right to terminate without cause with prior written notice. The 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. 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.

19. *The demand of writing and creative instruments in foreign countries is subject to international market conditions that could adversely affect our business, financial condition and results of operations. Further, we face risks related to the geographic concentration of our exports and may not be successful in penetrating new export markets.*

Set forth below is a table of the top five export countries and the revenue from the top five export countries in terms of percentage of our (i) sale of products (exports) and (ii) sale of products for the Financial Years indicated.

Financial Year	**Countries**	**Revenue from sale of products (exports)** *(in ₹ million)*	**Revenue as a percentage of sale of products (exports)** *(in %)*	**Revenue as a percentage of sale of products** *(in %)*
2023	U.S., U.A.E, Yemen, Colombia, Japan	1,130.27	61.19	11.99
2022	U.S., Switzerland, Yemen, U.A.E., Japan	798.67	59.35	13.83
2021	U.S., Yemen, Switzerland, Japan, U.A.E	643.88	59.52	21.61

We may look to expand into newer markets in the future, including export markets where we currently do not operate in. Expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the economic conditions of these new regions, language barriers, difficulties in managing such operations, and the lack of brand recognition and reputation in such regions. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such market. We also face risk due to political instability and conflict in such newer markets. For instance, the crisis in one of the countries we export to in the Middle East, could materially and adversely affect demand for our products and consequently, our business and financial results. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries where we seek to sell our products will not impose trade restrictions on us in future. 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. We also require various approvals, licenses, registrations and permissions for supplying to our overseas customers which may be denied or delayed by the respective authorities in such jurisdictions. In case we fail to comply with applicable statutory or regulatory requirements, there could be delay in the submission or grant of approval for marketing new products. In the eventuality we are unable to successfully expand into new geographical regions, our growth plans and future performance shall be adversely affected.

20. *Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance.*

Our existing manufacturing facilities are located in Valsad, Gujarat; in Naigaon (near Mumbai), Maharashtra; in Daman, Union Territory of Dadra and Nagar Haveli and Daman and Diu; and in Dehradun, Uttarakhand. Our capacity utilisation is affected by the availability of raw materials, industry and market conditions as well as by the product requirements of, and procurement practice followed by, our customers. We intend to use a portion of the Net Proceeds towards funding capital expenditure of our Company to set up a new manufacturing facility at District Valsad, Gujarat. For details, see "*Objects of the Offer—Details of the Objects—Setting up the New Valsad Unit*" on page 98. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. Our manufacturing plants (other than our plant in Naigaon, Maharashtra) had a combined capacity utilization of 72.82% in the Financial Year 2023, according to the Chartered Engineer, pursuant to a certificate dated July 12, 2023. For details, see "*Our Business—Manufacturing Facilities and Other Properties—Production Capacity and Capacity Utilization*" and "*Our Business—Our Strategy—Continue to increase production capacity and enhance capacity utilization*" on pages 184 and 172, respectively. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our proposed capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance. For details, see, "*—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*" and "*—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*" on pages 51 and 34, respectively.

21. *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 are not registered in the name of our Company.*

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 "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 191 and 365, respectively.

A majority of these approvals are granted for a limited duration and require renewal from time to time. For instance, we have been assessed to meet the requirements of ISO 9001:2015 and ISO 14001:2015 and these certifications are valid until June 10, 2024. We have also applied for a renewal of certain approvals required in respect of our manufacturing units, including consolidated consent and authorization under the Air Act, the Water Act and the Hazardous Waste Rules to operate for one of our units at Dehradun (Dehradun Unit-I), a consent to establish (expansion) and a consent to operate under the Air Act, the Water Act and the Hazardous Waste Rules for one of our units at Daman (Daman Unit-II) and a no-objection certificate from the fire service department for certain of our units at Daman. Further, we have not applied for certain approvals in respect of our units at Daman (Daman Unit-V and Daman Agarwal Unit) as the units are not operational as of the date of this Draft Red Herring Prospectus. Applications for the pending approvals will be applied for prior to commencement of operations at Daman Unit-V and Daman Agarwal Unit. For further details see "*Government and Other Approvals*" on page 365. If we fail to obtain the required 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.

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.

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.

22. ***We depend heavily on our Key Management Personnel and Senior Management, 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 and Senior Management. We believe that the inputs and experience of our Key Management Personnel and Senior Management 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 205. 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 and senior management, 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.

23. ***We are dependent on the Promoters, the Directors, the Promoter Group and the Group Companies for certain aspects of our business and operations, and certain Directors, 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 our Subsidiary, FCIPL) and 9 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. Further, certain offices, godowns and the guesthouse at Pune, Maharashtra have also been leased by our Company from certain members of the Promoter Group. For details, see "*Our Business—Manufacturing Facilities and Other Properties*" on page 182. In addition, our Promoters and certain members of the Promoter Group (also our Whole-time Directors) have extended unsecured loans to our Company, of which ₹278.38 million remains outstanding as of June 30, 2023. The Promoters and members of the Promoter Group have not committed to provide such forms of support in future. Although as on the date of this Draft Red Herring Prospectus, none of our borrowing facilities are subject to personal guarantees, 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 51.

Pentel Stationery (India) Private Limited ("**PSIPL**"), a Group Company and a Promoter Group entity of our Company, is in the same line of business as our Company. Certain other Group Companies and entities in the Promoter Group, are authorized to engage in the same line of business as our Company under their respective memorandum of association/partnership deeds. Certain individuals forming part of the Promoter Group and certain of our Directors are also engaged in the business of writing instruments. While the Rathod Family Promoter Group Entities have confirmed that they have no business operations currently and have expressed their intention to not commence the business of manufacturing and selling of writing instruments and to not operate in the same line of business as that of our Company and the Subsidiaries in the future, there can be no assurance that such businesses or the businesses of the other Promoter Group entities or other businesses developed in future by the Promoters, the members of the Promoter Group or the Group Companies may not 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.

PSIPL, 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 PSIPL and the Promoters together with certain members of the Promoter Group hold 48.72% of the paid-up equity share capital of PSIPL. PSIPL will continue to directly compete with our Company and the Subsidiaries, which may lead to conflicts of interest in the future.

Further, our Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod are directors on the boards of PSIPL and Flair Pens Limited. Our Whole-time Directors, Mr. Mohit Khubilal Rathod and Mr. Sumit Rathod are also directors on the board of Flair Pens Limited.

Except as stated above, none of the Promoters, Directors, 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, 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, operations, prospects or financial results may be materially and adversely affected"* above on page 36.

24. ***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. Set forth below is our trade receivables including as a percentage of our revenue of operations, and the number of days for which such receivables have been pending, for the Financial Years indicated.

Particulars	**Financial Year**		
	2023	**2022**	**2021**
Trade receivables *(in ₹ million)*	1,706.72	1,469.70	1,158.40
Trade receivables as a percentage of revenue from operations (%)	18.11	25.45	38.87
Average trade receivables *(in ₹ million)*	1,588.21	1,314.05	1,471.59
Outstanding days*	61	83	180

**Calculated based on average trade receivables.*

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 for our customers in India and of 30 to 150 days for our customers abroad.

As of March 31, 2023, our top five debtors accounted for 29.77% of our total trade receivables and our top 10 debtors accounted for 38.82% 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. For instance, in the past we have initiated proceedings under section 138 of the Negotiable Instruments Act, 1881 and the Insolvency and Bankruptcy Code, 2016 to recover dues from our customers. 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.

25. *We have certain contingent liabilities disclosed and not provided for as of March 31, 2023, 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 Restated Consolidated Financial Information showing our contingent liabilities for the Financial Years specified below.

Particulars	**As of March 31, 2023**	**As of March 31, 2022**	**As of March 31, 2021**
	(in ₹ million)		
Disputed excise, service tax and GST matters	58.85	5.55	2.54
Income tax matters	46.87	30.69	21.77

Note: *Non-quantifiable contingent liabilities: there are certain on-going legal proceedings against our Company under the provisions of the Goods and Services Tax Act, 2017, Customs Act, 1962, Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Legal Metrology Act, 2009. These matters are at various stages of proceedings and the extent of claims or damages is indeterminate at this stage. The Company is contesting these cases and based on views of external legal counsels and advisors representing our Company, we believe that there will be no future liability which would devolve over the Company in any of these matters. The Company has also filed writ petition before the High Court of Gujarat for matters pertaining to GST.*

Our Company has also filed certain cases under section 138 of the Negotiable Instruments Act, 1881. Our Company is pursuing these cases and has made adequate provisions for doubtful debts in respect of such cases, wherever considered necessary.

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

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 354.

26. *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 agreements with the OEM manufacturers, our Company is obligated to, among others, (i) comply with product quality standards, inspections and audits; (ii) provide most favored customer pricing; (ii) not sell customers' branded products to third parties without their consent; (iii) procure raw material from the customer or third party vendors identified by the customer; and (iv) 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 of the lenders for, among others:

- effecting any change in the ownership, control or management of our Company and our Subsidiaries;
- effecting any material change of our Company's constitution, capital structure or shareholding pattern;
- effecting change in composition of board of directors and appoint/ remove persons holding substantial powers of management;
- create or permit to subsist any encumbrance, mortgage or charge over all or any of the present and future properties, assets or revenues;
- declare or pay any dividends in respect of any Financial Year if an event of default has occurred or is continuing;
- amend/modify constitutional documents of our Company; and
- make any investments by way of deposits, loans or investment in share capital.

We have obtained consents from lenders, where applicable, for the Offer. However, there can no assurance that we will be able to obtain any other required approvals from lenders on a timely basis or at all. Under the financing documents, the lenders also have the right to, inter-alia, modify or cancel the facility, in whole or in part, at the lenders' 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 lenders have 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. These restrictions may impact our ability to incur additional debt in the future.

27. *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. Further, since we are constantly expanding and growing our operations, our insurance policies may not cover all our manufacturing units, offices, and godowns. Our principal types of coverage include insurance for fire, workmens' compensation, directors and officers' liability, product liability and transit insurance, subject to the policy exclusions.

Set our below are details of our insurance coverage for total fixed tangible assets (excluding land) on written value basis.

Position as of	**Value of fixed tangible assets** *(in ₹ million)*	**Insurance coverage on fixed tangible assets** *(in ₹ million)*	**Percentage of fixed tangible assets insured** *(in %)*
March 31, 2023	2,162.07	2,626.06	121.46
March 31, 2022	1,705.32	2,499.40	146.56
March 31, 2021	1,730.08	2,183.10	126.18

Set our below are details of our insurance coverage for our inventory.

Position as of	**Value of inventory** *(in ₹ million)*	**Insurance coverage on inventory** *(in ₹ million)*	**Percentage of inventory insured** *(in %)*
March 31, 2023	2,137.61	2,145.00	100.34
March 31, 2022	1,842.95	1,850.00	100.38
March 31, 2021	1,313.85	1,342.50	102.18

We have had fire accidents at our manufacturing plants, *i.e.*, Daman Unit-III in 2014, Daman Unit-II in 2016 and on a vessel transporting some of our products in January 2019, 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 been reimbursed ₹125.99 million in relation to such claim. We have also filed a claim before the National Consumer Disputes Redressal Commission, New Delhi against the insurer for the recovery of an additional amount of ₹29.42 million towards short payments, delays and interest. In relation to the fire accident at Daman Unit-III, we claimed ₹3.70 million from the insurer and were reimbursed ₹2.13 million. In the relation to the fire in transit, we have claimed ₹1.69 million from the insurer and have been reimbursed ₹1.67 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.

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

According to CRISIL, in seeking of economies of scale through domestic manufacturing and well-established branding, many leading companies have been generating revenue from their export business as well. While this has helped companies diversify geographical risks, currency fluctuations continue to be a risk factor. We derived 19.36% of our revenue from operations in currencies other than Indian Rupees, *i.e.*, US$ and EUR in the Financial Year 2023. As of March 31, 2023, our unhedged net foreign currency exposure was ₹394.02 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.

29. *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. We have also been delayed in filing our GST returns and payment of contribution towards employee provident fund 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. For instance, in relation to allotment dated November 30, 2017 pursuant to a rights issue, the number of equity shares allotted to Mr. Sumit Rathod was inadvertently mentioned as 1,860 equity shares instead of 1,840 equity shares in the relevant form filing with the RoC. We have also been delayed in filing certain GST returns and payment of employee provident fund contributions occasionally in the past. Further, we are yet to file relevant forms with the RoC in relation to the increase in our authorised share capital on March 20, 2023 and the issuance of Equity Shares pursuant to the bonus issue on March 24, 2023 as a result of certain technical issues with the form filing portal of the MCA. 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.

30. *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 "*Key Regulations and Policies*" on page 191. 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 are 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 work permits and paying employee contributions under relevant legislations. While the Contract Labour (Regulation and Abolition) Act, 1970 does not require us to retain contract laborers as our employees, on a case-by-case basis, the Indian courts have directed employers in the past to absorb contract laborers as employees. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. For instance, we received a notice dated July 4, 2023 from the Regional Provident Fund Commission – II, Employees' Provident Fund Organisation, Regional Office, Vapi, Maharashtra in connection with certain discrepancies and short comings observed in connection with a joint option availed by one of our employees. 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.

31. ***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, subject to certain approvals. 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 Selling Shareholders and 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) setting up a new manufacturing facility for writing instruments in District Valsad, Gujarat; (ii) funding capital expenditure of our Company and our Subsidiary, FWEPL; (iii) funding working capital requirements of our Company and our Subsidiaries, FWEPL and FCIPL; (iv) repayment/pre-payment, in part or full, of certain borrowings availed by our Company and our Subsidiaries, FWEPL and FCIPL; and (v) general corporate purposes. For details, see *"Objects of the Offer"* on page 96. 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 will appoint a monitoring agency for monitoring the utilization of the Net Proceeds in accordance with the SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the RoC. 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 who do not agree to such proposal to vary the objects, in accordance with the SEBI ICDR Regulations.

32. *We propose to repay or prepay all or a portion of certain outstanding borrowings availed by our Company and our Subsidiaries, Flair Cyrosil Industries Private Limited and Flair Writing Equipments Private Limited.*

Our Company and our Subsidiaries, FCIPL and FWEPL, have entered financing arrangements for term loans and working capital facilities to fund their expansion activities and operational requirements. Our Company intends to utilize an estimated amount of ₹430.00 million from the Net Proceeds towards repayment or prepayment of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiaries. For details of these financing arrangements, see "*Financial Indebtedness*" and "*Management's Discussion and Analysis of Financial Condition and Result of Operations—Significant Developments after March 31, 2023*" on pages 315 and 357, respectively. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus. We believe that such repayment or prepayment will help reduce the outstanding indebtedness of our Company and our Subsidiaries. In addition, we believe that this would help reduce our outstanding indebtedness and our debt servicing costs and enable utilisation of our internal accruals for further investment in the growth and expansion of its business. However, no assurance can be made that our Company and our Subsidiaries will not require further funding and that such funding will be available at attractive rates or that by repaying the borrowing of FCIPL and FWEPL, will in fact improve our available funding alternatives. For details, see "*Objects of the Offer—Details of the Objects—Repayment/pre-payment, in part or full, of certain borrowings availed by our Company and our Subsidiaries, FWEPL and FCIPL*" on page 112.

33. *We have not placed orders for machinery of value of ₹750.19 million constituting approximately 100% of the value of the total machinery to be purchased from the Net Proceeds.*

We intend to use a portion of the Net Proceeds towards funding capital expenditure of our Company and FWEPL. For details, see "*Objects of the Offer*" on page 96. As of the date of this Draft Red Herring Prospectus, our Company has not placed orders for machinery of value of ₹750.19 million constituting approximately 100% 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—Setting up the New Valsad Unit*" *and* "*Objects of the Offer—Details of the Objects—Funding capital expenditure of our Company and our Subsidiary, FWEPL*" on pages 98 and 103, respectively. 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, including due to exchange rate fluctuations.

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 and FWEPL. Additionally, approximately 27.50% of such machinery will be imported from China. Relations between India and China have been volatile over the past few years. If the relationship deteriorates further or there is an escalation of conflict, delivery of our orders for machinery may be delayed or may not be fulfilled at all, which could adversely affect our business, financial condition and results of operations. 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 47.

34. *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 our Subsidiary, FCIPL), godowns, certain local offices and 9 of our manufacturing plants are situated on lands and/or in buildings that have been leased/ licensed to us by the Promoters, certain members of the Promoter Group and certain third parties. Set forth below are certain details with respect to our manufacturing plants.

Unit/Building	Party to Lease/Leave License Agreement	Details of Lease/ Leave and License Agreement	Consideration
Valsad, Gujarat			
Valsad Building-II	Licensed by our Company from Promoters	Lease deed dated October 16, 2017, amended pursuant to deed of rectification dated August 12, 2021, valid until October 15, 2042	₹0.10 million per month subject to escalation as per terms of the leave and license agreement
Valsad Building-III	Licensed from our Company[(1)]	Rent agreement dated March 10, 2023, valid until January 1, 2028	₹1.10 million per month, subject to escalation as per terms of the leave and license agreement
	Licensed by FWEPL from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	Rent agreement dated March 10, 2023, valid until March 1, 2028, which can be extended until March 1, 2033	₹0.14 million per month, subject to escalation as per terms of the leave and license agreement
Valsad Building-IV	Licensed by FCIPL from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	Rent agreement dated March 10, 2023, valid until March 1, 2028	₹0.49 million per month, subject to escalation as per terms of the leave and license agreement
Naigaon, Maharashtra			
Naigaon Unit-I	Licensed by our Company from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	Leave and license agreement dated April 5, 2023, valid until April 1, 2028	₹1.42 million per month, subject to escalation as per terms of the leave and license agreement
Daman, Dadra and Nagar Haveli and Daman and Diu			
Daman Unit-III	Licensed by our Company from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	Leave and license agreement dated April 5, 2023, valid until April 1, 2028	₹0.51 million per month, subject to escalation as per terms of the leave and license agreement
Daman Unit-V	Leased by our Company from Mr. Ajay Bhikubhai Desai	Leave and license agreement dated May 19, 2023, valid until May 30, 2025	₹0.20 million per month as per terms of the leave and license agreement
	Leased by our Company from Mrs. Rupal Ajay Desai	Leave and license agreement dated May 19, 2023, valid until May 30, 2025	₹0.32 million per month as per terms of the leave and license agreement
Daman Agrawal Unit	Licensed by FWEPL from M/s. Flair Writing Aids	Lease agreement dated November 28, 2022, valid until December 2027	₹0.15 million per month as per terms of the leave and license agreement
Dehradun, Uttarakhand			
Dehradun Unit-I	Licensed by our Company from Flair Pens Limited, a member of the Promoter Group	Leave and license agreement dated April 5, 2023, valid until April 1, 2028	₹0.55 million per month as per terms of the leave and license agreement
Dehradun Unit-II	Licensed by our Company from Flair Pens Limited, a member of the Promoter Group	Leave and license agreement dated April 5, 2023, valid until April 1, 2028	₹0.45 million per month as per terms of the leave and license agreement

[(1)] *Our Company has leased the building constructed on such land to our Subsidiary, FWEPL*

For further details, see "*Our Business—Manufacturing Facilities and Other Properties*" on page 182. Further, our Company has entered into an agreement with a third-party service provider to avail warehouse facilities situated across India where we can store our products. Termination of such lease/ license/ service 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. 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. 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).

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.

35. ***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 on information technology systems for our business operations. We have implemented an enterprise resource planning solution, which we believe will help standardize our processes, planning, performance and collection of information. We also purchased a software application which features, among others, tracking of secondary sales and generation of reports in connection with such sales. In May 2021, our main server was affected by a virus attack which led to corruption of data on our systems. 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.

36. ***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 include sale and purchase of goods, sale and purchase of fixed assets, sale and purchase of license, lease/license of properties, borrowings and interest, payment of remuneration, labour and moulding charges, advertisement and sales promotion expenses and reimbursement of 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.

Our Company has granted unsecured inter-corporate loans aggregating up to ₹800 million to our Subsidiaries, which are each repayable by March 31, 2030, pursuant to certain loan agreements. As of June 30, 2023, ₹433.79 million remains outstanding in aggregate, pursuant to such loan agreements with our Subsidiaries. If our Subsidiaries fail to repay loans in a timely manner or at all, our business, prospects, financial condition and results of operations will be adversely impacted.

It is likely that we may enter into related party transactions in the future. For details on our related party transactions, see "*Restated Consolidated Financial Information—Related Party Disclosure*" on page 295. 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.

37. ***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 the Chartered Engineer, pursuant to the certificate dated July 12, 2023, and certified based on the certain assumptions, including the following: (i) total working days of 305 days during the Financial Year; (ii) one 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.

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

We have been availing deduction of expenditure incurred in connection with the Scheme from the Financial Year 2018 under Section 35DD of the Income-tax Act and will continue to avail the same. We pay a concessional rate of corporate tax under section 115BAA of the Income Tax Act.

We 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. Further, we also avail interest and labour subsidies under the Scheme for Assistance to Labour Intensive Industries (the "**ALII Scheme**") of the Industries and Mines Department of the Gujarat Government.

Set out below is the quantum of benefits that we have availed under various government schemes and initiatives in the Financial Years indicated.

Particulars	**Financial Year 2023**	**Financial Year 2022**	**Financial Year 2021**
	(in ₹ million)		
Deduction under Section 35DD of the Income Tax Act	0.82	1.00	1.00
Deduction under Section 35D of the Income Tax Act	11.45	10.99	11.08
Benefits under EPCG Scheme	81.76	19.51	7.69
Interest subsidy under ALII Scheme	3.48	6.22	27.27
Labour subsidy under ALII Scheme	13.25	11.54	24.26
Total	**110.76**	**49.26**	**71.30**

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

39. ***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.***

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 DDT, 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 233.

40. ***Certain of our Directors, Key Management Personnel and members of our Senior Management have interests in us other than reimbursement of expenses incurred, normal remuneration or benefits.***

Certain of our Directors, Key Management Personnel and Senior Management have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors (including our Promoters) 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; (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 Subsidiaries. Certain 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 members of our Senior Management, Mr. Jatin Chadha, holds equity shares in one of our Subsidiaries, FCIPL. Also see "*Our Management—Interest of our Directors*" and "*Our Management—Interest of Key Managerial Personnel and Senior Management of our Company*" on pages 213 and 225, respectively.

41. ***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 hold 100.00% 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, strategic business decisions, 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.

42. ***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 and/or registered and/or adequately stamped certain of our agreements, including our leave and license agreements such as the agreements with Rupal Ajay Desai and with Ajay Kumar Bhikubhai Desai, each dated May 19, 2023 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 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.

43. ***Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by us exclusively in connection with the Offer.***

We have availed the services of an independent third-party research agency, CRISIL, to prepare the CRISIL Report dated June 2023, for the purposes of inclusion of such information in this Draft Red Herring Prospectus. CRISIL was engaged pursuant to an engagement letter dated April 14, 2023. CRISIL is not related to the Book Running Lead Managers, our Company, our Directors or our Promoters. We have exclusively commissioned this report and paid for the services of CRISIL for the CRISIL Report for the purpose of confirming our understanding of the industry in connection with the Offer. We have no direct or indirect association with CRISIL other than as a consequence of such an engagement. The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. A copy of the CRISIL Report will be available on the Company's website at www.flairworld.in/investor-relation.html from the date of Red Herring Prospectus until the Bid/Offer Closing Date. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

In view of the foregoing, you should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. Also see "*Certain Conventions, Presentation of Financial, Industry and Market Data—Industry and Market Data*" and "*Industry Overview*" on pages 25 and 134, respectively.

44. ***Unsecured loans taken by our Company from certain Directors and other related parties of the Company may be recalled at any time.***

As of June 30, 2023, we have outstanding unsecured loans aggregating to ₹278.38 million taken by our Company from certain Directors and their relatives for business purposes, repayable by March 31, 2030, pursuant to the loan agreement dated April 2, 2018. While, as on date, neither the loan arrangement has been terminated nor the outstanding amounts have been called to be repaid by the relevant parties, there can be no assurance that such parties will not recall the outstanding amount (in part, or in full) at any time. We intend to repay the said loan in due course, however, any failure to service such indebtedness, or discharging any obligations thereunder could have a material adverse effect on our business, financial condition and results of operations. For further details, see "*Financial Indebtedness*" on page 315.

45. ***We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operating and financial performance in this Draft 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.***

Certain Non-GAAP Measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of companies in the writing instruments industry, many of which provide such Non-GAAP Measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our financial statements as reported under applicable accounting standards (such as Ind AS) disclosed elsewhere in this Draft Red Herring Prospectus. These Non-GAAP Measures and such other industry related statistical and other information relating to our operations and financial performance are not measures of operating performance or liquidity defined by generally accepted accounting principles, and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies in the writing instruments industry.

Also see "*Definitions and Abbreviations*", "*Certain Conventions, Presentation of Financial, Industry and Market Data—Non-GAAP Financial Measures*", "*Basis for Offer Price*", "*Our Business—Key Performance Indicators*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Measures*" on pages 1, 24, 120, 179 and 321, respectively.

Further, in evaluating our business, we consider and use certain key performance indicators that are presented herein as supplemental measures to review and assess our operating performance. We present these key performance indicators because they are used by our management to evaluate our operating performance. These key performance indicators have limitations as analytical tools. These key performance indicators may differ from, and may not be comparable with, estimates or similar metrics or information published by third parties and other peer companies due to differences in sources, methodologies, or the assumptions on which we rely, and hence their comparability may be limited. As a result, these metrics should not be considered in isolation or construed as an alternative to our financial statements or as an indicator of our operating performance, liquidity, profitability or results of operations.

Our internal systems and tools are subject to a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our products are used across large populations.

Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our key performance indicators are not accurate representations of our business, or if investors do not perceive these metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be materially and adversely affected, the market price of our shares could decline, we may be subject to shareholder litigation, and our business, results of operations, and financial condition could be materially adversely affected.

46. ***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. 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.

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 U.S., United Arab Emirates, Yemen, Switzerland and Japan. 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 Yemen could also materially and adversely affect our business and financial results.

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.

Our business and financial condition could be impacted by certain factors, including the following:

- increase in interest rates may adversely impact our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;

- macroeconomic factors, such as high rates of inflation, which may increase our employee costs and decrease demand for our products and services, which may adversely affect our profitability and competitive advantage, to the extent that we are unable to pass on increased costs by increasing cost of our products and services;

- a change in the trade policies, in terms of tariff and non-tariff barriers, in the countries from which we import raw materials and to which we export our products, may adversely affect our profitability;

- fluctuations in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy as well as the valuation of the Indian Rupee, which may adversely affect our financial condition;

- political instability, resulting from a change in government or in economic and fiscal policies, may adversely affect economic conditions in India;

- the occurrence of natural or man-made disasters or epidemic or pandemic such as COVID-19 may adversely affect economic conditions in India; and

- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war.

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 been volatile 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.

Any adverse developments in any of the jurisdictions in which we operate in connection with any of the above reasons could impact our business, financial condition, results of operations and cash flows.

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 His Majesty's Treasury, the European Union, the United Nations or other relevant sanctions authorities (collectively, "**International Sanctions**").

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 an 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.

According to CRISIL, during Financial Year 2022, the GoI took the decision to include all pens under the 18% GST category. Prior to such change, the 18% GST was levied only on the fountain pens and stylograph pens. In addition, during Financial Year 2023, GST rates on some stationery items such as pencil sharpeners, printing, writing, or drawing ink, and marking out instruments was increased from 12% to 18%. Further, the GoI has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labor legislations. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. The GoI also recently introduced the draft Digital Personal Data Protection Bill, 2022. As of the date of this Draft Red Herring Prospectus, the Digital Personal Data Protection Bill, 2022 is in draft form. We are yet to determine the impact such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. Furthermore, the GoI has announced the Union Budget for Fiscal 2024, pursuant to which the Finance Bill, 2023, introduced various amendments to taxation laws in India. The Finance Bill received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. We cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business and operations or on the industry in which we operate.

We are unable to determine the impact of any changes in or interpretations of existing, or the promulgation of, new, laws, rules and regulations applicable to us and our business. Also, the application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. Any such 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 "*Key Regulations and Policies*" on page 191.

50. *Foreign investors are subject to certain investment restrictions under Indian law, which could limit our ability to attract foreign investors and our ability to raise foreign capital is subject to certain conditions prescribed under Indian law.*

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into a foreign currency and repatriate that foreign currency from India will require a no-objection certificate or a tax clearance certificate from the Indian income tax authorities. The GoI may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. Further, any investment into India by an entity of a country which shares a land border with India, or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, requires the approval of the Government of India. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 407.

As an Indian company, we are also subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business, financial condition and results of operations.

Further, our Equity Shares will be quoted in Indian rupees on the Stock Exchanges. Any dividends, if declared, in respect of our Equity Shares will be paid in Indian rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by such Shareholders.

51. *A downgrade in credit ratings of India may affect the trading price of the Equity Shares.*

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in December 2022 and improved from BBB with a "negative" outlook to BBB with a "stable" outlook by Fitch in December 2022; and from BBB to BBB "low" by DBRS in May 2022. India's sovereign rating from S&P is BBB- with a "stable" outlook in May 2023. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

52. *Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.*

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any slowdown in the Indian economy would materially and adversely affect our business, financial condition, results of operations and cash flows. The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. The COVID-19 pandemic caused an economic downturn in several major economies and generated volatility in, and general adverse impact on, the global securities markets, including in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Furthermore, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia in connection with the Russia-Ukraine conflict) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. Any significant financial disruption could have a material adverse effect on our business, financial condition, cash flows and results of operation.

Such developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of the Equity Shares.

53. *Foreign investors may have difficulty enforcing foreign judgments against our Company 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 the Company's 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 has 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.

54. *If inflation continues to rise in India, we may not be able to increase the prices of our products at a proportional rate or offset any increases in the cost of our raw materials, which may reduce our margins and have an adverse impact on our cash flows, results of operations and financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The RBI has enacted certain policy measures and has recently increased the repo rates to curb inflation. However, these policies and steps taken by the RBI may not be successful. In February 2022, hostilities between Russia and the Ukraine commenced which continue as on date. The market price of oil has risen sharply since the commencement of these hostilities which may have had an inflationary effect in India. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not continue to rise in the future. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

55. *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.

56. ***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.

57. ***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 the 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.

Risks relating to the Offer and our Equity Shares

58. ***Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of 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 determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the Book Running Lead Managers through the book building process. This may not be indicative of the market price for the Equity Shares after the Offer. For further details, please see "*Basis for Offer Price*" on page 120.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- developments relating to our peer companies in our industry;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- speculative trading in the Equity Shares;
- investor perception of our Company;

- the public's reaction to our press releases and adverse media reports;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that investors will be able to resell their Equity Shares at or above the Offer Price resulting in a loss of all or part of their investment.

59. *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.*

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. The details of the average cost of acquisition of Equity Shares held by the Promoters Selling Shareholders and Promoter Group Selling Shareholders are set out below.

Name of the Shareholder	**Number of Equity Shares held**	**Weighted average cost of acquisition per Equity Share** *(in ₹)*[(1)]
Promoters Selling Shareholders		
Mr. Khubilal Jugraj Rathod	18,677,760	4.59
Mr. Vimalchand Jugraj Rathod	14,008,320	4.59
Promoter Group Selling Shareholders		
Mrs. Nirmala Khubilal Rathod	9,338,880	4.59
Mrs. Manjula Vimalchand Rathod	9,338,880	4.59
Mr. Rajesh Khubilal Rathod	9,338,880	4.59
Mr. Mohit Khubilal Rathod	9,338,880	4.59
Mr. Sumit Rathod	9,338,880	4.59
Mrs. Sangita Rajesh Rathod	4,669,440	4.59
Mrs. Shalini Mohit Rathod	4,669,440	4.59
Mrs. Sonal Sumit Rathod	4,669,440	4.59

[(1)] *As certified by Statutory Auditors pursuant to the certificate dated July 14, 2023.*

60. *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 future 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 80. Any future issuances could also dilute the value of shareholders' investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares

61. ***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. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices.***

The Offer Price of the Equity Shares will be determined by our Company, 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 120 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. In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures—Price information of Past Issues Handled by the BRLMs*" on page 372.

62. ***Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on 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. Securities transaction tax ("**STT**") is levied both at the time of transfer and acquisition of equity shares (unless exempted) and such STT is collected by an Indian stock exchange on which equity shares are sold. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as the amount of STT paid, whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. 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 immediately preceding the date of transfer.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India (partially or wholly) in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. 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.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10% (plus surcharge and cess, as applicable), where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and Hindu Undivided Families.

Further, the Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Additionally, the Finance Act, 2020 has, *inter alia*, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and provided that no DDT is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020. Accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Unfavourable changes in or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We have not yet assessed the impact of Finance Act, 2023 on our Company's business, financial condition, results of operations or on the industry in which we operate. Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations may materially and adversely affect our business, financial condition, results of operations and cash flows. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

63. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their 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 the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

64. *Rights of shareholders of companies under Indian law may be different from laws of other jurisdictions.*

Our Company's Articles of Association, composition of our Company's Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may be different from shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

65. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.*

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the Bidders' demat account with the relevant depository participant could take approximately five Working Days from the Bid/Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/Offer Closing Date. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if Allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

66. ***QIBs and Non-Institutional Bidders Bidding for an amount exceeding ₹200,000 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, and Retail Individual Bidders Bidding for an amount up to ₹200,000 are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Bid Amount on submission of the Bid and QIBs and Non-Institutional Bidders Bidding for an amount exceeding ₹200,000 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. Retail Individual Bidders Bidding for an amount up to ₹200,000 can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. Our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment pursuant to the Offer, within six Working Days from the Bid/Offer Closing Date. 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, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may 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.

SECTION III: INTRODUCTION

THE OFFER

The details of the Offer are disclosed below.

Offer of Equity Shares of face value of ₹5 each	Up to [●] Equity Shares aggregating up to ₹7,450.00 million
of which	
Fresh Issue(1)(7)	Up to [●] Equity Shares aggregating up to ₹3,650.00 million
Offer for Sale(2)	Up to [●] Equity Shares aggregating up to ₹3,800.00 million
which includes	
The Offer consists of:	
QIB Portion(4)(5)	Not more than [●] Equity Shares aggregating up to ₹[●] million
of which:	
- Anchor Investor Portion	Up to [●] Equity Shares aggregating up to ₹[●] million
- Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
- Mutual Fund Portion	[●] Equity Shares
- Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion(5)(6)(7)	Not less than [●] Equity Shares aggregating up to ₹[●] million
Of which:	
- One-third of the Non-Institutional Portion, available for allocation to Bidders with an application size between ₹200,000 to ₹1,000,000	[●] Equity Shares
- Two-thirds of the Non-Institutional Portion, available for allocation to Bidders with an application size of more than ₹1,000,000	[●] Equity Shares of face value of ₹5 each
Retail Portion(5)	Not less than [●] Equity Shares aggregating up to ₹[●] million
Pre and Post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	93,388,800 Equity Shares of face value of ₹5 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹5 each
Use of Net Proceeds by our Company	See "*Objects of the Offer*" on page 96. Our Company will not receive any proceeds from the Offer for Sale.

(1) *The Fresh Issue has been authorized by a resolution dated June 23, 2023 passed by our Board and a special resolution dated June 26, 2023 passed by the Shareholders. Our Board has taken on record the participation of the Selling Shareholders in the Offer for Sale pursuant to a resolution dated July 10, 2023.*

(2) *The details of authorisation by each Selling Shareholder approving their participation in the Offer for Sale are as set out below.*

S. No.	Name of the Selling Shareholder	Date of consent letter	Aggregate amount of Offer for Sale
1.	Mr. Khubilal Jugraj Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹760.00 million
2.	Mr. Vimalchand Jugraj Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹570.00 million
3.	Mrs. Nirmala Khubilal Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
4.	Mrs. Manjula Vimalchand Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
5.	Mr. Rajesh Khubilal Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
6.	Mr. Mohit Khubilal Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
7.	Mr. Sumit Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
8.	Mrs. Sangita Rajesh Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹190.00 million
9.	Mrs. Shalini Mohit Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹190.00 million
10.	Mrs. Sonal Sumit Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹190.00 million

Each Selling Shareholder confirms that the Equity Shares being offered by them are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations.

(3) *Our Company 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 Equity 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 under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall 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. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB 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 387.

(4) *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. In case of undersubscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. For further details, see "Offer Procedure" on page 387.*

(5) *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use the UPI Mechanism. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid cum Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*

(6) *One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹1,000,000 and the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. The allocation of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis.*

(7) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹730.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. The Fresh Issue size will accordingly be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.*

Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional 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, as applicable. Allocation to Retail Individual Bidders 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 383, 377 and 387, respectively.

SUMMARY RESTATED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Consolidated Financial Information. The summary financial information presented below should be read in conjunction with "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 234 and 318, respectively.

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SUMMARY RESTATED CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

(All amounts are in Indian Rupees in millions, except share data and stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2,400.90	1,900.66	1,764.37
Capital work-in-progress	16.00	17.82	-
Right-of-use asset	74.77	35.91	65.15
Goodwill	3.60	-	-
Other intangible assets	19.98	23.53	27.37
Intangible assets under development	-	-	-
Investments in joint venture	-	-	-
Financial assets			
(i) Investments	-	-	-
(ii) Trade receivables	-	-	-
(iii) Loans	0.29	0.36	0.10
(iv) Other financial assets	55.62	22.38	20.16
Deferred tax assets (net)	-	-	-
Income tax assets (net)	0.56	0.70	-
Other non-current assets	163.82	50.97	65.66
Total non-current assets	**2,735.54**	**2,052.34**	**1,942.82**
Current assets			
Inventories	2,137.61	1842.95	1,313.85
Financial assets			
(i) Investments	-	-	162.67
(ii) Trade receivables	1,706.72	1,469.70	1,158.40
(iii) Cash and cash equivalents	7.89	3.28	6.66
(iv) Bank Balance other than (iii) above	0.05	0.05	0.15
(v) Loans	3.28	2.23	2.12
(vi) Other financial assets	8.42	2.82	1.78
Current tax assets (net)	-	-	-
Other current assets	242.31	201.57	218.19
Total current assets	**4,106.28**	**3,522.60**	**2,863.82**
Total assets	**6,841.83**	**5,574.93**	**4,806.64**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	466.94	233.47	233.47
Other equity	3,882.56	2,936.32	2,382.55
Equity attributable to equity holders of the parent	**4,349.51**	**3,169.79**	**2,616.02**
Non-controlling interest	2.78	-	-
Total Equity	**4,352.29**	**3,169.79**	**2,616.02**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	418.01	734.08	1116.11
(ii) Lease liabilities	67.72	13.59	43.67
(iii) Other financial liabilities	2.60	13.04	31.94
Provisions	63.01	60.60	53.05
Deferred Tax Liabilities (Net)	95.65	95.11	102.45
Other non-current liabilities	2.60	3.19	2.63
Total non-current liabilities	**649.60**	**919.61**	**1349.85**
Current liabilities			
Financial liabilities			
(i) Borrowings	737.91	529.24	187.00
(ii) Lease liabilities	10.62	30.08	31.88
(iii) Trade payables			

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises	228.03	169.72	85.92
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	407.63	333.20	324.96
(iv) Other financial liabilities	204.25	196.35	140.02
Provisions	77.15	56.22	47.59
Current tax liabilities (net)	65.12	94.01	0.62
Other current liabilities	109.24	76.71	22.76
Total current liabilities	**1,839.94**	**1,485.53**	**840.77**
Total liabilities	**2,489.54**	**2,405.14**	**2,190.62**
Total equity and liabilities	**6,841.83**	**5,574.93**	**4,806.64**

SUMMARY RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts are in Indian Rupees in millions, except share data and stated otherwise)

Particulars	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
INCOME			
Revenue from operations	9,426.60	5,773.98	2,979.88
Other income (net)	116.31	102.43	128.85
Total income (A)	**9,542.91**	**5,876.42**	**3,108.73**
EXPENSES			
Cost of raw material and components consumed	5,081.51	3,336.25	1,461.04
Purchase of stock-in-Trade	61.65	47.24	47.59
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(55.47)	(301.55)	155.61
Employee benefits expense	1,173.36	878.01	583.88
Finance costs	90.04	99.97	113.10
Depreciation and amortisation expense	273.41	243.66	224.34
Other expenses	1,330.42	838.35	501.79
Total expenses (B)	**7,954.93**	**5,141.93**	**3,087.36**
Restated Profit Before Tax (C=A-B)	**1,587.99**	**734.48**	**21.37**
Tax expense			
(a) Current tax	404.98	190.90	2.30
(b) Deferred tax	2.01	(7.93)	9.18
Total tax expense (D)	**406.99**	**182.97**	**11.48**
Restated Profit for the Year (E=C-D)	**1,181.00**	**551.51**	**9.89**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
(i) Remeasurement gain of the Defined Benefit Plan	(2.14)	2.35	2.59
(ii) Income tax relating to above item	0.54	(0.59)	(0.65)
Items that will be reclassified to profit or loss:			
Restated Other comprehensive Income for the Year (Net of Tax) (F)	**(1.60)**	**1.76**	**1.94**
Restated Total Comprehensive Income for the Year (G=E+F)	**1,179.39**	**553.27**	**11.83**
Restated Profit for the Year attributes to:			
Equity holders of the parent	1,182.11	551.51	9.89
Non-controlling interests	(1.12)	-	-
Restated Other Comprehensive income for the Year			
Equity holders of the parent	(1.60)	1.76	1.94
Non-controlling interests	-	-	-
Restated Total Comprehensive Income for the Year attributable			
Equity holders of the parent	1,180.51	553.27	11.83
Non-controlling interests	(1.12)	-	-
Restated Earnings Per Equity Share of Face value of ₹5 each			
(i) Basic EPS (In ₹)	12.66	5.91	0.11
(ii) Diluted EPS (In ₹)	12.66	5.91	0.11

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts are in Indian Rupees in millions, except share data and stated otherwise)

Particulars	For the year ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
A. Cash Flow From Operating Activities Restated Profit before tax for the Year	1,587.99	734.48	21.37
Adjusted for:			
Depreciation and amortisation Expenses	273.41	243.66	224.34
Deferred income – Government Grant Profit/ Loss of sales of Property, Plant and Equipment	0.04	(0.49)	(21.89)
Provision for Doubtful Debts	10.33	1.93	-
Gain on Sales of Liquid Fund	-	(3.08)	(0.56)
Interest income	(5.63)	(7.42)	(28.51)
Interest and other finance cost	81.63	86.30	105.48
Interest on Leased Assets	3.36	5.29	7.62
Operating Profit Before Working Capital changes	**1,951.13**	**1,060.67**	**307.85**
Working capital adjustment:			
(Increase)/ Decrease in Inventories	(294.66)	(529.10)	187.93
(Increase)/ Decrease in Trade Receivables	(247.35)	(313.23)	626.39
(Increase)/ Decrease in Loans	(0.99)	(0.37)	0.80
(Increase)/ Decrease in Others Financial Assets	(38.84)	(3.26)	(1.35)
(Increase)/ Decrease in Other Non-Currents/ Current Assets	(153.60)	31.52	(24.36)
(Increase)/ Decrease in Trade Payables	132.74	92.04	(321.48)
(Increase)/ Decrease in Other Financial Liabilities	(2.54)	37.42	(117.56)
(Increase) / Decrease in Provisions	21.74	17.94	12.89
(Increase) / Decrease in Other Non-Current/ Current Liabilities	30.33	64.34	(64.78)
Cash Generated From Operations	**1,397.96**	**457.97**	**606.34**
Income Taxes Paid (net)	(433.58)	(107.54)	(2.39)
Net Cash Generated From Operating Activities (A)	**964.38**	**350.43**	**603.94**
B. Cash Flow From Investing Activities			
Proceeds from sale of Property, Plant and Equipment	3.18	24.28	52.46
Purchase of Property, Plant and Equipment and Intangible Assets	(744.75)	(392.43)	(103.68)
Purchase of investment in Mutual Funds	-	-	(135.11)
Proceeds from Sale of Investment in Mutual Funds	-	165.75	-
Interest Income	5.63	7.42	28.51
Net Cash Flow used in investing Activities (B)	**(735.94)**	**(194.97)**	**(157.82)**
C. Cash Flow From Financing Activities			
Loan Taken/ (Repaid)	(107.40)	(39.80)	(337.68)
Interest on Loan	(81.63)	(86.30)	(105.48)
Payment of Principal portion of lease liabilities	(34.30)	(32.73)	(32.12)
Net Cash Used in Financing Activities (C)	**(223.33)**	**(158.83)**	**(475.28)**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**5.11**	**(3.38)**	**(29.16)**
Add: Cash and cash equivalents pursuant to business combination	(0.50)	-	-
Opening Balance of Cash and Cash equivalents	3.28	6.66	35.83
Closing Balance of Cash and Cash equivalents	**7.89**	**3.28**	**6.66**
Components of Cash and Cash Equivalents			
Cash on Hand	1.94	1.33	1.24
Balances with scheduled banks			
(i) In Current Account / Cash Credit	1.65	0.68	2.14
(ii) In EEFC Account	4.31	1.27	3.22
(iii) In Deposits accounts with original maturity of less than three months	-	-	0.06
Total Cash and Cash Equivalents	**7.89**	**3.28**	**6.66**

GENERAL INFORMATION

Registered Office of our Company

Flair Writing Industries Limited
63 B/C, Government Industrial Estate
Charkop, Kandivali West, Mumbai 400 067
Maharashtra, India
Corporate Identity Number: U51100MH2016PLC284727
Registration Number: 284727

Details of incorporation and changes in the name of our Company

For details of our incorporation and changes to our name, see "*History and Certain Corporate Matters*" on page 196.

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 and Whole-time Director	00122867	101, 401/3, Joy Solitaire Building, Friends C.H.S.L., N.S. Road 5, JVPD, Vile Parle West, Mumbai 400 056, Maharashtra, India
2.	Mr. Vimalchand Jugraj Rathod	Managing Director	00123007	Mayur Building, Flat No. 1201, 12th Floor, Plot No. – 40, JVPD Scheme, N.S. Road No. 8, Vile Parle, Mumbai 400 056, Maharashtra, India
3.	Mr. Rajesh Khubilal Rathod	Whole-time Director	00122907	401/3, Friends C.H.S, N.S. Road no. 5, JVPD Scheme, Vile Parle West, Mumbai 400 056, Maharashtra, India
4.	Mr. Mohit Khubilal Rathod	Whole-time Director	00122951	401, Friends C.H.S. Ltd., N.S. Road no. 5, JVPD Scheme, Vile Parle West, Mumbai 400 056, Maharashtra, India
5.	Mr. Sumit Rathod	Whole-timeDirector	02987687	1301, Mayur, Plot No. 40, N.S. Road No. 8, Presidency C.H.S., Near PNB, JVPD, Mumbai 400 056, Maharashtra, India
6.	Mr. Punit Saxena	Independent Director	01057161	702, 7th Floor, Gold Crest C.H.S.L., Sunder Nagar, Road No. 3, Vigneshwar Mandir, Kalina, Santacruz, Mumbai 400 098, Maharashtra, India
7.	Mr. Rajneesh Bhandari	Independent Director	00094089	S-271, Mahaveer Nagar, Tonk Road, Jaipur 302 018, Rajasthan, India
8.	Mr. Bishan Singh Rawat	Independent Director	08139018	3, Balbir Road, Dehradun 248 001, Uttarakhand, India
9.	Mr. Manoj Vinod Lalwani	Independent Director	10077949	321/18, Shantinagar Society, Mahatma Phule Peth, Jawaharlal Nehru Marg, Opposite Kering Hospital, Pune 411 042, Maharashtra, India
10.	Ms. Sheetal Bhanot Shetty	Independent Director	10087870	Silver Riddhi Siddhi, C Wing, Flat No. 601, 5th Road, Near Diamond Garden, Chembur East, Mumbai 400 071, Maharashtra, India

For further details of the Board, see "*Our Management*" on page 205.

Company Secretary and Compliance Officer

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

Mr. Vishal Kishor Chanda
63 B/C, Government Industrial Estate
Charkop, Kandivali West
Mumbai 400 067
Maharashtra, India
Tel: +91 22 4203 0405
E-mail: investors@flairpens.com

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI Master Circular for Issue of Capital and Disclosure Requirements.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act shall be filed with the RoC and a copy of the Prospectus shall be filed with the RoC under Section 26 of the Companies Act and through the electronic portal at www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Book Running Lead Managers

Nuvama Wealth Management Limited
(formerly known as Edelweiss Securities Limited)
801 - 804, Wing A, Building No 3
Inspire BKC, G Block
Bandra Kurla Complex, Bandra East,
Mumbai 400 051
Maharashtra, India
Tel: +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/ Ms. Ayushi Modi
SEBI registration no.: INM000013004

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
E-mail: fwil.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor grievance e-mail: complaints@axiscap.in
Contact person: Mr. Pratik Pednekar
SEBI registration no.: INM000012029

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	Activities	Responsibility	Coordination
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus, and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing	Nuvama, Axis Capital	Nuvama
2.	Drafting and approval of all statutory advertisement	Nuvama and Axis Capital	Nuvama
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including media monitoring, corporate advertising, brochure, etc. and filing of media compliance report	Nuvama and Axis Capital	Axis Capital

S. No	Activities	Responsibility	Coordination
4.	Appointment of intermediaries – Registrar to the Offer, Advertising Agency, monitoring agency and printers to the Offer including co-ordination for all agreements to be entered with such intermediaries	Nuvama and Axis Capital	Nuvama
5.	Appointment of intermediaries – Bankers to the Offer and Sponsor Banks including co-ordination for all agreements to be entered with such intermediaries	Nuvama and Axis Capital	Axis Capital
6.	Preparation of roadshow marketing presentation and investor frequently asked questions	Nuvama and Axis Capital	Nuvama
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	Nuvama and Axis Capital	Nuvama
8.	Domestic Institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	Nuvama and Axis Capital	Axis Capital
9.	Non-institutional marketing of the Offer, which will cover, *inter alia*: • Finalising media, marketing and public relations strategy; • Formulating strategies for marketing to Non-Institutional Investors	Nuvama and Axis Capital	Nuvama
10.	Retail marketing of the Offer, which will cover, *inter alia*: • Finalising media, marketing and public relations strategy including list of frequently asked questions at road shows; • Finalising centers for holding conferences for stock brokers, etc.; • Finalising collection centers as per Schedule III of the SEBI ICDR Regulations; and Follow-up on distribution of publicity and Offer material including Application Form, Red Herring Prospectus, Prospectus and brochure and deciding on the quantum of the Offer material	Nuvama and Axis Capital	Axis Capital
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	Nuvama and Axis Capital	Axis Capital
12.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders	Nuvama and Axis Capital	Nuvama
13.	• Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar to the Offer, SCSBs and banks, unblocking of application monies, intimation of allocation and dispatch of refund to bidders, etc. • Other Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Company about the closure of the Offer, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds, payment of the applicable STT and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.	Nuvama and Axis Capital	Axis Capital

S. No	Activities	Responsibility	Coordination
	• Co-ordination with SEBI and Stock Exchanges for Refund of 1% Security Deposit and Submission of all post-Offer reports including the initial and final post-Offer report to SEBI		

Syndicate Members

[●]

Legal Advisers to our Company as to Indian Law

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

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
E-mail: jeswanirathore@gmail.com
ICAI firm registration no.: 104202W
Peer review certificate no.: 014992

Changes in Statutory Auditors

There have been no changes in our statutory auditors during the last three years preceding the date of this Draft Red Herring Prospectus.

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: +91 810 811 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 Gopalkrishnan
SEBI registration no.: INR000004058

Banker(s) to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Banks

[●]

Bankers to our Company

Citibank N.A. 10^{th} Floor, FIFC Building Bandra Kurla Complex, Bandra (East) Mumbai 400 098, Maharashtra Tel: +91 98498 40234 E-mail: anil.jawar@citi.com Website: www.citibank.co.in Contact person: Mr. Anil Jhawar	**Axis Bank Limited** Axis Bank Limited, Shop No 8 & 9 C K Chambers, NH 08 Vapi 396 191, Gujarat Tel: +91 89808 01111 E-mail: vapi.branchhead@axisbank.com Website: www.axisbank.com Contact person: Mr. Shashikant Rambilas Somani

Designated Intermediaries

SCSBs and mobile applications enabled for UPI Mechanism

The banks registered with the SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Applications through the UPI Mechanism in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal 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.

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 Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, 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 BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Credit Rating

As the Offer is an initial public offering 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.

Debenture Trustees

As the Offer is an initial public offering of Equity Shares, the appointment of debenture trustees is not required.

Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a credit rating agency registered with SEBI as the monitoring agency for the Fresh Issue prior to the filing of 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.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Experts

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

Our Company has received written consent dated July 14, 2023, from the Statutory Auditors, namely, M/s. Jeswani & Rathore, Chartered Accountants, holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of their (i) examination report dated June 30, 2023 on the Restated Consolidated Financial Information; and (ii) the statement of special tax benefits dated July 14, 2023, 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 the independent Chartered Engineer Mr. Trushar Rameshbhai Patel (M.E. Structures), Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of their (i) certificate dated July 12, 2023 in connection with the production capacity and capacity utilization at our manufacturing units and in connection with the capital expenditure proposed to be undertaken by our Company and its Subsidiary, FWEPL; and (ii) the Cost Assessment Report dated July 12, 2023 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.

Our Company has received written consent dated July 5, 2023 from the independent legal professional, Mr. Vinod Patel, to include his name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of the title search report dated July 5, 2023 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 process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band and minimum Bid Lot. The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLMs and shall be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, and advertised at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. The Offer Price shall be determined by our Company, 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 by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding and Non-Institutional Bidders 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. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and can withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw Bids after the Anchor Investor Bid/ Offer Period.

Except for Allocation to RIBs, NIBs and Anchor Investors, allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis. For allocation to the Non-Institutional Bidders, the following shall be followed:

(a) One-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000;
(b) Two-thirds of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1,000,000.

Provided that the unsubscribed portion in either of the sub-categories specified under clauses (a) or (b), may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI, which 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.

Bidders 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) filing of the Prospectus with the RoC.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 383 and 387, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page 387.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters, who shall be merchant bankers or stock brokers registered with SEBI, after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. The Underwriting Agreement is dated [●]. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be as per the Underwriting Agreement. It is proposed that 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 filled in before the Prospectus is filed with the RoC)

Name, Address, Telephone Number and E-mail Address 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 and the allocation of Equity Shares, subject to and in accordance with the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on representations made to our Company by the Underwriters), 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 Board of Directors, 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 the proportion of their underwriting commitments set forth in the table above.

CAPITAL STRUCTURE

Our Company's share capital, as of 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(1)
A.	**AUTHORIZED SHARE CAPITAL(4)**		
	110,000,000 Equity Shares of face value of ₹5 each	550,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	93,388,800 Equity Shares of face value of ₹5 each	466,944,000	-
C.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares aggregating up to ₹7,450.00 million	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹3,650.00 million (2)	[●]	[●]
	Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 3,800.00 million (3)	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER(1)**		
	[●] Equity Shares of face value of ₹5 each	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		Nil
	After the Offer(1)		[●]

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

(2) *The Fresh Issue has been authorized by a resolution dated June 23, 2023 passed by our Board and a special resolution dated June 26, 2023 passed by the Shareholders. Our Board has taken on record the participation of the Selling Shareholders in the Offer for Sale pursuant to a resolution dated July 10, 2023. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹730.00 million. The Fresh Issue size will accordingly be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.*

(3) *Each of the Selling Shareholders, severally and not jointly, confirms that the Equity Shares being offered by them are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For details on the authorisations by the Selling Shareholders in relation to the Offer for Sale, see "The Offer" on page 65.*

(4) *As of the date of this Draft Red Herring Prospectus, the master data on the website of the Ministry of Corporate Affairs (accessible at: www.mca.gov.in) reflects our authorised share capital and paid-up share capital as ₹301.00 million and ₹233.47 million instead of ₹550.00 million and ₹466.94 million, respectively, due to certain pending form filings with the RoC as a result of certain technical issues with the form filing portal of the Ministry of Corporate Affairs, in connection with the increase in our authorized share capital on March 20, 2023 and bonus issue of Equity Shares on March 24, 2023. For further details, see "—Share Capital History of our Company" and "History and Certain Corporate Matters—Amendments to the Memorandum of Association in last 10 years" on pages 80 and 197, respectively. Also see, "Risk Factors—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. We have also been delayed in filing our GST returns and payment of contribution towards employee provident fund in the past" on page 47.*

For details in relation to the changes in the authorized share capital of our Company in the last 10 years, see "*History and Certain Corporate Matters—Amendments to the Memorandum of Association in the last 10 years*" on page 197.

Notes to Capital Structure

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

(a) <u>History of equity share Capital of our Company:</u>

[*the remainder of this page has been intentionally left blank*]

<table>
<tr><th>Date of allotment of equity shares</th><th>Details of allottees and number of equity shares allotted</th><th>Total number of equity shares allotted</th><th>Face value (₹)</th><th>Issue price per equity share (₹)</th><th>Nature of consideration</th><th>Reason for/ nature of allotment</th><th>Cumulative number of equity shares</th></tr>
<tr><td>August 18, 2016</td><td><table>
<tr><th>S. No</th><th>Name of allottee/shareholder</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>40,000</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>30,000</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>20,000</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>20,000</td></tr>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>20,000</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>20,000</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>20,000</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>10,000</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>10,000</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>10,000</td></tr>
</table></td><td>200,000</td><td>10</td><td>10</td><td>Other than cash (pursuant to the conversion of the capital account of the partnership firm, M/s. Flair Writing Instruments)</td><td>Subscription to the Memorandum of Association(1)</td><td>200,000</td></tr>
<tr><td>November 30, 2017</td><td><table>
<tr><th>S. No</th><th>Name of allottee/shareholder</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>3,680</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>2,760</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>1,840</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>1,840</td></tr>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>1,840</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>1,840</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>1,840</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>920</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>920</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>920</td></tr>
</table></td><td>18,400</td><td>10</td><td>21,745</td><td>Cash</td><td>Rights issue</td><td>218,400</td></tr>
<tr><td>May 26, 2018</td><td><table>
<tr><th>S. No</th><th>Name of allottee/shareholder</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>540,000</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>405,000</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>270,000</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>270,000</td></tr>
</table></td><td>2,700,000</td><td>10</td><td>10</td><td>Other than cash</td><td>Allotment of equity shares pursuant to the Scheme(2)</td><td>2,918,400</td></tr>
</table>

<table>
<tr><th>Date of allotment of equity shares</th><th>Details of allottees and number of equity shares allotted</th><th>Total number of equity shares allotted</th><th>Face value (₹)</th><th>Issue price per equity share (₹)</th><th>Nature of consideration</th><th>Reason for/ nature of allotment</th><th>Cumulative number of equity shares</th></tr>
<tr><td></td><td><table>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>270,000</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>270,000</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>270,000</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>135,000</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>135,000</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>135,000</td></tr>
</table></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>August 16, 2018</td><td><table>
<tr><th>S. No</th><th>Name of allottee/shareholder</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>4,085,760</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>3,064,320</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>2,042,880</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>2,042,880</td></tr>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>2,042,880</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>2,042,880</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>2,042,880</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>1,021,440</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>1,021,440</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>1,021,440</td></tr>
</table></td><td>20,428,800</td><td>10</td><td>-</td><td>-</td><td>Bonus issue in the ratio of 7:1 by capitalizing the retained earnings and the securities premium account [(3)]</td><td>23,347,200</td></tr>
<tr><td>March 20, 2023</td><td colspan="7">Pursuant to resolutions passed by our Board at their meeting dated March 18, 2023 and the Shareholders at their EGM dated March 20, 2023, our Company has sub-divided 23,347,200 equity shares of face value of ₹10 each to 46,694,400 Equity Shares of face value of ₹5 each</td></tr>
<tr><td>March 24, 2023</td><td><table>
<tr><th>S. No</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>9,338,880</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>7,004,160</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>4,669,440</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>4,669,440</td></tr>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>4,669,440</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>4,669,440</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>4,669,440</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>2,334,720</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>2,334,720</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>2,334,720</td></tr>
</table></td><td>46,694,400</td><td>5</td><td>-</td><td>-</td><td>Bonus issue in the ratio of 1:1 by capitalizing the retained earnings and the securities premium account [(4)]</td><td>93,388,800</td></tr>
</table>

Date of allotment of equity shares	Details of allottees and number of equity shares allotted	Total 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

(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 manner set out above. For further details, see "History and Certain Corporate Matters—Brief History of our Company" on page 196.*

(2) *For further details on the Scheme, see "History and Certain Corporate Matters—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the Last 10 Years" on page 200.*

(3) *The bonus issue was in the ratio of seven equity shares for every one equity share held by the Shareholders, authorized by a resolution passed by the Shareholders dated August 14, 2018 with the record date as August 9, 2018 in the manner set out above by capitalization of the retained earnings and the securities premium account of our Company.*

(4) *The bonus issue was in the ratio of one Equity Share for every one Equity Share held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 20, 2023 with the record date as March 24, 2023 in the manner set out above by capitalization of the retained earnings and the securities premium account of our Company. As of the date of this Draft Red Herring Prospectus, Form PAS-3 for allotment of bonus shares has not been filed by our Company with the RoC due to certain technical issues with the form filing portal of the Ministry of Corporate Affairs. Also see, "Risk Factors—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. We have also been delayed in filing our GST returns and payment of contribution towards employee provident fund in the past" on page 47..*

(b) History of Preference Share Capital of our Company:

Our Company does not have any preference shares as of the date of filing of this Draft Red Herring Prospectus.

2. **Equity shares issued in the preceding one year below the Offer Price**

Except as disclosed below, our Company has not issued any equity shares at a price which may be lower than the Offer Price during the period of one year preceding the date of this Draft Red Herring Prospectus:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Allottees	Whether allottees are part of the Promoter Group
March 24, 2023	46,694,400	5	-	Bonus issue in the ratio of 1:1 by capitalizing the retained earnings and the securities premium account [(1)]	See allottee table below	Yes

S. No	Name of allottee/shareholder	Number of Equity Shares
1.	Mr. Khubilal Jugraj Rathod	9,338,880
2.	Mr. Vimalchand Jugraj Rathod	7,004,160
3.	Mrs. Nirmala Khubilal Rathod	4,669,440
4.	Mrs. Manjula Vimalchand Rathod	4,669,440
5.	Mr. Rajesh Khubilal Rathod	4,669,440
6.	Mr. Mohit Khubilal Rathod	4,669,440
7.	Mr. Sumit Rathod	4,669,440
8.	Mrs. Sangita Rajesh Rathod	2,334,720
9.	Mrs. Shalini Mohit Rathod	2,334,720
10.	Mrs. Sonal Sumit Rathod	2,334,720

[(1)] *The bonus issue was in the ratio of one Equity Share for every one Equity Share held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 20, 2023 with the record date as March 24, 2023 by capitalization of the retained earnings and the securities premium account of our Company.*

3. **Issue of Equity Shares for consideration other than cash or by way of bonus issue**

Except as stated below, our Company has not issued any shares in the past for consideration other than cash or by way of bonus issue, as of the date of this Draft Red Herring Prospectus:

Date of allotment	Allottees and number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company
August 18, 2016	See allottee table below	10	10	Subscription to the Memorandum of Association pursuant to conversion of partnership firm M/s. Flair Writing Instruments into our Company[(1)]	Incorporation

S. No	Name of allottee/shareholder	Number of equity shares
1.	Mr. Khubilal Jugraj Rathod	40,000
2.	Mr. Vimalchand Jugraj Rathod	30,000
3.	Mrs. Nirmala Khubilal Rathod	20,000
4.	Mrs. Manjula Vimalchand Rathod	20,000
5.	Mr. Rajesh Khubilal Rathod	20,000
6.	Mr. Mohit Khubilal Rathod	20,000
7.	Mr. Sumit Rathod	20,000
8.	Mrs. Sangita Rajesh Rathod	10,000
9.	Mrs. Shalini Mohit Rathod	10,000
10.	Mrs. Sonal Sumit Rathod	10,000
Total		200,000

<table>
<tr><th>Date of allotment</th><th>Allottees and number of equity shares allotted</th><th>Face value (₹)</th><th>Issue price per equity share (₹)</th><th>Reason for allotment</th><th>Benefits accrued to our Company</th></tr>
<tr><td>May 26, 2018</td><td>
<table>
<tr><th>S. No</th><th>Name of allottee/shareholder</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>540,000</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>405,000</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>270,000</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>270,000</td></tr>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>270,000</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>270,000</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>270,000</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>135,000</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>135,000</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>135,000</td></tr>
<tr><td colspan="2">Total</td><td>2,700,000</td></tr>
</table>
</td><td>10</td><td>10</td><td>Allotment of equity shares pursuant to the Scheme[(2)]</td><td>Consideration for transfer and vesting of the entire undertakings of the Transferor Companies in our Company</td></tr>
<tr><td>August 16, 2018</td><td>
<table>
<tr><th>S. No</th><th>Name of allottee/shareholder</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>4,085,760</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>3,064,320</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>2,042,880</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>2,042,880</td></tr>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>2,042,880</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>2,042,880</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>2,042,880</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>1,021,440</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>1,021,440</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>1,021,440</td></tr>
<tr><td colspan="2">Total</td><td>20,428,800</td></tr>
</table>
</td><td>10</td><td>-</td><td>Bonus issue in the ratio of 7:1 by capitalizing the retained earnings and the securities premium account[(3)]</td><td>N.A.</td></tr>
<tr><td>March 24, 2023</td><td>
<table>
<tr><th>S. No</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>9,338,880</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>7,004,160</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>4,669,440</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>4,669,440</td></tr>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>4,669,440</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>4,669,440</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>4,669,440</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>2,334,720</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>2,334,720</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>2,334,720</td></tr>
<tr><td colspan="2">Total</td><td>46,694,400</td></tr>
</table>
</td><td>5</td><td>-</td><td>Bonus issue in the ratio of 1:1 by capitalizing the retained earnings and the securities premium account [(4)]</td><td>N.A.</td></tr>
</table>

(1) *For details, including names of allottees, see "—Share Capital History of our Company" above on page 80 and "History and Certain Corporate Matters—Amendments to the Memorandum of Association in the last 10 years" on page 197.*

(2) *For further details on the Scheme, see "History and Certain Corporate Matters—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years" on page 200.*

(3) *The bonus issue was in the ratio of seven equity shares for every one equity share held by the Shareholders, authorized by a resolution passed by the Shareholders dated August 14, 2018 with the record date as August 9, 2018 by capitalization of the retained earnings and the securities premium account of our Company.*

(4) *The bonus issue was in the ratio of one Equity Share for every one Equity Share held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 20, 2023 with the record date as March 24, 2023 by capitalization of the retained earnings and the securities premium account of our Company.*

4. **Issue of Equity Shares out of revaluation reserves**

Our Company has not issued any shares out of revaluation reserves since its incorporation.

5. **Issue of Equity Shares pursuant to any scheme of arrangement**

Our Company has not issued any shares in the past in terms of a scheme of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, except as disclosed below.

<table>
<tr><th>Date of allotment of equity shares</th><th>Details of allotees and number of equity shares allotted</th><th>Total number of equity shares allotted</th><th>Face value (₹)</th><th>Issue Price per equity share (₹)</th><th>Nature of consideration</th><th>Reason for/ nature of allotment</th></tr>
<tr><td>May 26, 2018</td><td>
<table>
<tr><th>S. No</th><th>Name of allottee/shareholder</th><th>Number of equity shares</th></tr>
<tr><td>1.</td><td>Mr. Khubilal Jugraj Rathod</td><td>540,000</td></tr>
<tr><td>2.</td><td>Mr. Vimalchand Jugraj Rathod</td><td>405,000</td></tr>
<tr><td>3.</td><td>Mrs. Nirmala Khubilal Rathod</td><td>270,000</td></tr>
<tr><td>4.</td><td>Mrs. Manjula Vimalchand Rathod</td><td>270,000</td></tr>
<tr><td>5.</td><td>Mr. Rajesh Khubilal Rathod</td><td>270,000</td></tr>
<tr><td>6.</td><td>Mr. Mohit Khubilal Rathod</td><td>270,000</td></tr>
<tr><td>7.</td><td>Mr. Sumit Rathod</td><td>270,000</td></tr>
<tr><td>8.</td><td>Mrs. Sangita Rajesh Rathod</td><td>135,000</td></tr>
<tr><td>9.</td><td>Mrs. Shalini Mohit Rathod</td><td>135,000</td></tr>
<tr><td>10.</td><td>Mrs. Sonal Sumit Rathod</td><td>135,000</td></tr>
</table>
</td><td>2,700,000</td><td>10</td><td>10</td><td>Other than cash</td><td>Allotment of equity shares pursuant to the Scheme[(1)]</td></tr>
</table>

[(1)] *For further details on the Scheme, see "History and Certain Corporate Matters—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years" on page 200.*

6. **Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares**

As of the date of this Draft Red Herring Prospectus, the Promoters hold 32,686,080 Equity Shares, constituting 35.00% of the issued, subscribed and paid-up share capital of our Company.

The details regarding the build-up of our Promoters' shareholding is set forth below:

(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 (%)[(1)]
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	0.04	[●]

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 (%)(1)
November 30, 2017	3,680	10	21,745	Cash	Rights issue	Negligible	[●]
May 26, 2018	540,000	10	10	Other than cash	Allotment of equity shares pursuant to the Scheme	0.58	[●]
August 16, 2018	4,085,760	10	-	-	Bonus issue in the ratio of 7:1 by capitalizing the retained earnings and the securities premium account	4.38	[●]
March 20, 2023	Pursuant to resolutions passed by our Board at their meeting dated March 18, 2023 and the Shareholders at their EGM dated March 20, 2023, our Company has sub-divided its equity shares of face value of ₹10 each to Equity Shares of face value of ₹5 each. Consequently, 4,669,440 equity shares of face value of ₹10 each, held by Mr. Khubilal Jugraj Rathod were sub-divided into 9,338,880 Equity Shares of face value of ₹5 each.						
March 24, 2023	9,338,880	5	-	-	Bonus issue in the ratio of 1:1 by capitalizing the retained earnings and the securities premium account	10.00	[●]
SUB TOTAL (A)					**18,677,760**	**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	0.03	[●]
November 30, 2017	2,760	10	21,745	Cash	Rights issue	Negligible	[●]
May 26, 2018	405,000	10	10	Other than cash	Allotment of equity shares pursuant to the Scheme	0.43	[●]
August 16, 2018	3,064,320	10	-	-	Bonus issue in the ratio of 7:1 by capitalizing the retained earnings and the securities premium account	3.28	[●]
March 20, 2023	Pursuant to resolutions passed by our Board at their meeting dated March 18, 2023 and the Shareholders at their EGM dated March 20, 2023, our Company has sub-divided its equity shares of face value of ₹10 each						

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 (%)[(1)]
	to Equity Shares of face value of ₹5 each. Consequently, 3,502,080 equity shares of face value of ₹10 each, held by Mr. Vimalchand Jugraj Rathod were sub-divided into 7,004,160 Equity Shares of face value of ₹5 each.						
March 24, 2023	7,004,160	5	-	-	Bonus issue in the ratio of 1:1 by capitalizing the retained earnings and the securities premium account	7.50	[●]
SUB TOTAL (B)	**14,008,320**					**15.00**	**[●]**
TOTAL (A) + (B)	**32,686,080**					**35.00**	[●]

[(1)] *To be completed prior to filing of the Prospectus with the RoC.*

All the Equity Shares held by the Promoters were fully paid-up on the respective dates of acquisition/allotment of such Equity Shares.

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by the Promoters are pledged.

(b) *Details of Promoters' Contribution and lock-in*

Pursuant to Regulations 14 and 16(1)(a) of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as the minimum Promoters' contribution and, in view of the proposed objects of the Fresh Issue, is required to be locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**"). Our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for minimum Promoters' contribution for a period of three years, from the date of Allotment as Promoters' Contribution are set out below:[(1)]

Name of the Promoter	Number of Equity Shares locked-in	Date up to which Equity Shares are subject to lock-in	Date of Acquisition of Equity Shares and when made fully paid-up	Nature of transaction	Face value (₹)	Issue/Acquisition price per Equity Share (₹)	Pre-Offer Equity Share capital (%)	Post-Offer Equity Share capital (%)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

[(1)] *To be completed prior to filing of the Prospectus with the RoC.*

The Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Promoters' Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' contribution from the date of filing the Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations. The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "promoter" under the SEBI ICDR Regulations.

(c) Our Company undertakes that the Equity Shares that are being locked-in will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "*Capital Structure—Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares—Capital Build-up of our Promoters' Shareholding in our Company*" on page 86.

In this connection, we confirm the following:

(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, or (b) arising from 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 Promoters' contribution;

(ii) The Equity Shares offered towards minimum Promoters' contribution have not been acquired by our Promoters during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price;

(iii) Our Company has been formed by conversion of a partnership firm on August 18, 2016, which is prior to the one year preceding the date of this Draft Red Herring Prospectus;

(iv) The Equity Shares forming part of the Promoters' contribution are not subject to any pledge; and

(v) All Equity Shares held by our Promoters are in dematerialized form as of the date of this Draft Red Herring Prospectus.

(d) *Details of Equity Shares locked-in for six months*

In addition to the Equity Shares proposed to be locked-in as part of the minimum Promoters' contribution and the Promoter's shareholding in excess of 20%, as stated above, as prescribed under the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (including any unsubscribed portion of the Offered Shares) will be locked-in for a period of six months from the date of Allotment of Equity Shares in the Offer including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(1)(b) and 17 of the SEBI ICDR Regulations except the following: (i) the Equity Shares that are held by any VCFs, AIFs (category I or category II) or FVCIs subject to the conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs, AIF (category I or category II) or FVCI; and (ii) the Equity Shares transferred pursuant to the Offer for Sale.

(e) *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment, and the remaining 50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(f) *Other requirements in respect of lock-in*

Pursuant to Regulation 20 of the SEBI ICDR Regulations, details of locked-in Equity Shares will be recorded by relevant depositories.

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions or a systemically important NBFC or a housing finance company as collateral security for loans granted by such scheduled commercial bank or public financial institution or systemically important NBFC or housing company, provided that specified conditions under the SEBI ICDR Regulations are complied with. However, the relevant lock-in period shall continue pursuant to the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter of our Company and the Equity Shares held by any persons other than our Promoters, which are locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations, may be transferred to and among such other persons holding specified securities that 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.

7. **Shareholding Pattern of our Company**

The table below presents the shareholding of our Company as of 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	93,388,800	-	-	93,388,800	100	93,388,800	-	93,388,800	100	-	-		-		-	**93,388,800**
(B)	**Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	**Shares underlying DRs**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	**Shares held by Employee Trusts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**10**	**93,388,800**	**-**	**-**	**93,388,800**	**100**	**93,388,800**	**-**	**93,388,800**	**100**	**-**	**-**		**-**		**-**	**93,388,800**

***Note**: As of the date of this Draft Red Herring Prospectus, Form PAS-3 for allotment of bonus shares on March 24, 2023, has not been filed by our Company with the RoC due to certain technical issues with the form filing portal of the Ministry of Corporate Affairs. Also see, "Risk Factors—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. We have also been delayed in filing our GST returns and payment of contribution towards employee provident fund in the past" on page 47.*

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

None of our Promoters and members of the Promoter Group hold any Equity Shares in our Company as of the date of filing of this Draft Red Herring Prospectus other than as disclosed below:

Name of the Shareholder	Pre-Offer		Post-Offer[2]	
	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)	Number of Equity Shares held	Percentage of the post-Offer paid-up Equity Share capital (%)
Promoters				
Mr. Khubilal Jugraj Rathod[1]	18,677,760	20.00	[●]	[●]
Mr. Vimalchand Jugraj Rathod[1]	14,008,320	15.00	[●]	[●]
Total (A)	**32,686,080**	**35.00**	[●]	[●]
Other members of the Promoter Group				
Mrs. Nirmala Khubilal Rathod[1]	9,338,880	10.00	[●]	[●]
Mrs. Manjula Vimalchand Rathod[1]	9,338,880	10.00	[●]	[●]
Mr. Rajesh Khubilal Rathod[1]	9,338,880	10.00	[●]	[●]
Mr. Mohit Khubilal Rathod[1]	9,338,880	10.00	[●]	[●]
Mr. Sumit Rathod[1]	9,338,880	10.00	[●]	[●]
Mrs. Sangita Rajesh Rathod[1]	4,669,440	5.00	[●]	[●]
Mrs. Shalini Mohit Rathod[1]	4,669,440	5.00	[●]	[●]
Mrs. Sonal Sumit Rathod[1]	4,669,440	5.00	[●]	[●]
Total (B)	**60,702,720**	**65.00**	[●]	[●]
Total (A + B)	**93,388,800**	**100.00**	[●]	[●]

(1) Also a Selling Shareholder
(2) To be computed prior to filing of the Prospectus with the RoC.

9. **Details of the Shareholding of the Directors, Key Managerial Personnel and Senior Management as of the date of filing of this Draft Red Herring Prospectus**

None of our Directors, our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company as of the date of filing of this Draft Red Herring Prospectus other than as disclosed below.

Name	Number of Pre-Offer Equity Shares	Percentage of Pre-Offer Capital (%)
Directors		
Mr. Khubilal Jugraj Rathod	18,677,760	20.00
Mr. Vimalchand Jugraj Rathod	14,008,320	15.00
Mr. Rajesh Khubilal Rathod	9,338,880	10.00
Mr. Mohit Khubilal Rathod	9,338,880	10.00
Mr. Sumit Rathod	9,338,880	10.00
Total Holding of Directors	**60,702,720**	**65.00**

10. **Details of the Shareholding of the major Shareholders**

(a) Set out below are details of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of 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	18,677,760	20.00
2.	Mr. Vimalchand Jugraj Rathod	14,008,320	15.00
3.	Mrs. Nirmala Khubilal Rathod	9,338,880	10.00

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of Pre-Offer Equity Share Capital (%)
4.	Mrs. Manjula Vimalchand Rathod	9,338,880	10.00
5.	Mr. Rajesh Khubilal Rathod	9,338,880	10.00
6.	Mr. Mohit Khubilal Rathod	9,338,880	10.00
7.	Mr. Sumit Rathod	9,338,880	10.00
8.	Mrs. Sangita Rajesh Rathod	4,669,440	5.00
9.	Mrs. Shalini Mohit Rathod	4,669,440	5.00
10.	Mrs. Sonal Sumit Rathod	4,669,440	5.00
Total		**93,388,800**	**100.00**

(b) Set out below are details of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of 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	18,677,760	20.00
2.	Mr. Vimalchand Jugraj Rathod	14,008,320	15.00
3.	Mrs. Nirmala Khubilal Rathod	9,338,880	10.00
4.	Mrs. Manjula Vimalchand Rathod	9,338,880	10.00
5.	Mr. Rajesh Khubilal Rathod	9,338,880	10.00
6.	Mr. Mohit Khubilal Rathod	9,338,880	10.00
7.	Mr. Sumit Rathod	9,338,880	10.00
8.	Mrs. Sangita Rajesh Rathod	4,669,440	5.00
9.	Mrs. Shalini Mohit Rathod	4,669,440	5.00
10.	Mrs. Sonal Sumit Rathod	4,669,440	5.00
Total		**93,388,800**	**100.00**

(c) Set out below are details of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of equity shares[(1)]	Percentage of Pre-Offer Equity Share Capital (%)[(1)]
1.	Mr. Khubilal Jugraj Rathod	4,669,440	20.00
2.	Mr. Vimalchand Jugraj Rathod	3,502,080	15.00
3.	Mrs. Nirmala Khubilal Rathod	2,334,720	10.00
4.	Mrs. Manjula Vimalchand Rathod	2,334,720	10.00
5.	Mr. Rajesh Khubilal Rathod	2,334,720	10.00
6.	Mr. Mohit Khubilal Rathod	2,334,720	10.00
7.	Mr. Sumit Rathod	2,334,720	10.00
8.	Mrs. Sangita Rajesh Rathod	1,167,360	5.00
9.	Mrs. Shalini Mohit Rathod	1,167,360	5.00
10.	Mrs. Sonal Sumit Rathod	1,167,360	5.00
Total		**23,347,200**	**100.00**

(1) Pursuant to a sub-division of equity shares with effect from March 20, 2023, our Company sub-divided the equity shares of ₹10 each to ₹5 each. The table above does not reflect the effect of such share split.

(d) Set out below are details of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of two years, prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of equity shares[(1)]	Percentage of Pre-Offer Equity Share Capital (%)[(1)]
1.	Mr. Khubilal Jugraj Rathod	4,669,440	20.00
2.	Mr. Vimalchand Jugraj Rathod	3,502,080	15.00
3.	Mrs. Nirmala Khubilal Rathod	2,334,720	10.00

S. No.	Name of the Shareholder	Number of equity shares[(1)]	Percentage of Pre-Offer Equity Share Capital (%)[(1)]
4.	Mrs. Manjula Vimalchand Rathod	2,334,720	10.00
5.	Mr. Rajesh Khubilal Rathod	2,334,720	10.00
6.	Mr. Mohit Khubilal Rathod	2,334,720	10.00
7.	Mr. Sumit Rathod	2,334,720	10.00
8.	Mrs. Sangita Rajesh Rathod	1,167,360	5.00
9.	Mrs. Shalini Mohit Rathod	1,167,360	5.00
10.	Mrs. Sonal Sumit Rathod	1,167,360	5.00
TOTAL		**23,347,200**	**100.00**

(1) *Pursuant to a sub-division of equity shares with effect from March 20, 2023, our Company sub-divided the equity shares of ₹10 each to ₹5 each. The table above does not reflect the effect of such share split.*

11. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for purchase of Equity Shares to be allotted pursuant to the Offer.

12. As of the date of this Draft Red Herring Prospectus, none of the BRLMs or their respective associates, as defined in the SEBI Merchant Bankers Regulations, hold any Equity Shares in our Company.

13. Our Company has not made any public issue since its incorporation and has not made any rights issue of any kind or class of securities since its incorporation, other than as disclosed in "*Capital Structure—Share Capital History of our Company*" on page 80.

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

15. Except for the allotment of Equity Shares pursuant to 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 submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be, other than in connection with the Offer.

16. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives 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.

17. Our Promoters, any member of our Promoter Group, our Directors, or any of their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

18. Except for the Pre-IPO Placement, our Company presently does not intend or propose and is not under negotiations or considerations to alter its 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, directly or indirectly for Equity Shares) whether 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 placements or otherwise. Provided, however, that the foregoing restrictions do not apply to the issuance of any Equity Shares under the Offer.

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

20. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and members of our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

21. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoter, members of our Promoter Group or Group Companies, 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.

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

23. **Employee Stock Option Scheme**

As of the date of this Draft Red Herring Prospectus, our Company does not have an employee stock option plan.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale, aggregating to ₹7,450 million.

Offer for Sale

Each Selling Shareholder will be entitled to the proceeds from the sale of their respective Offered Shares in the Offer for Sale, net of their share of the Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details of the Offer for Sale, see "*The Offer*" beginning on page 65.

Fresh Issue

The net proceeds of the Fresh Issue, *i.e.*, gross proceeds of the Fresh Issue less our Company's share of the Offer related expenses ("**Net Proceeds**") are proposed to be utilized in the following manner:

1. setting up a new manufacturing facility for writing instruments in District Valsad, Gujarat ("**New Valsad Unit**");
2. funding capital expenditure of our Company and our Subsidiary, FWEPL;
3. funding working capital requirements of our Company and our Subsidiaries, FWEPL and FCIPL;
4. repayment/pre-payment, in part or full, of certain borrowings availed by our Company and our Subsidiaries, FWEPL and FCIPL;
5. general corporate purposes (collectively, the "**Objects**").

In addition to the above Objects, we expect to receive the benefits of listing of the Equity Shares on the Stock Exchanges, and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us to undertake: (i) our existing business activities and other activities set out therein; and (ii) the activities proposed to be funded from the Net Proceeds. The objects clause and objects incidental and ancillary to the main objects clause of our Subsidiaries, enables each of them to undertake: (i) their existing business activities and other activities set out therein; (ii) the activities proposed to be funded from the Net Proceeds; and (iii) the activities towards which the loans proposed to be repaid/prepaid from the Net Proceeds were utilized.

Net Proceeds

The details of the Net Proceeds of the Fresh Issue are set out below:

Particulars	Estimated Amount *(in ₹ million)*
Gross proceeds of the Fresh Issue(1)	3,650.00
(Less) Offer-related expenses in relation to the Fresh Issue(2)(3)	[●]
Net Proceeds(3)	[●]

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement for an aggregate amount not exceeding ₹730.00 million. The Fresh Issue size will accordingly be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.*

(2) *For details of the expenses related to the Offer, see "—Offer Expenses" on page 116 below.*

(3) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Utilization of Net Proceeds

Our Company proposes to utilize the Net Proceeds towards the following objects:

(in ₹ million)

S. No.	Particulars	Estimated Amount(1) *(in ₹ million)*
1.	Setting up the New Valsad Unit	956.22
2.	Funding capital expenditure of our Company and our Subsidiary, FWEPL	867.48

S. No.	Particulars	Estimated Amount[(1)] (in ₹ million)
3.	Funding working capital requirements of our Company and our Subsidiaries, FWEPL and FCIPL	770.00
4.	Repayment/pre-payment, in part or full, of certain borrowings availed by our Company and Subsidiaries, FWEPL and FCIPL	430.00
5.	General corporate purposes[(2)]	[●]
	Net Proceeds	[●]

(1) *Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*
(2) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds, as set out in the table below:

Particulars	Total estimated cost[(1)]	Amount deployed as on June 30, 2023[(5)]	Estimated utilization from Net Proceeds	Estimated schedule of deployment of Net Proceeds in		
				Financial Year 2024	Financial Year 2025	Financial Year 2026
				(in ₹ million)		
Setting up the New Valsad Unit	1,185.45[(2)]	0.60	956.22	Nil	807.92	148.30
Funding capital expenditure of our Company and our Subsidiary, FWEPL	867.48[(3)]	Nil	867.48	271.62	595.86	Nil
Funding working capital requirements of our Company and our Subsidiaries, FWEPL and FCIPL	770.00[(4)]	Nil	770.00	440.00	330.00	Nil
Repayment/pre-payment, in part or full, of certain borrowings availed by our Company and Subsidiaries, FWEPL and FCIPL	430.00[(4)]	Nil	430.00	430.00	Nil	Nil
General corporate purposes[(6)]	[●]	Nil	[●]	[●]	[●]	[●]
Net Proceeds[(3)]			[●]	[●]	[●]	[●]

(1) *Applicable taxes (including any applicable customs duties), to the extent required, have been included in the estimated cost*
(2) *Total estimated cost based on the Cost Assessment Report (as defined below)*
(3) *As certified by the Chartered Engineer pursuant to a certificate dated July 12, 2023*
(4) *As certified by the Statutory Auditors pursuant to a certificate dated July 14, 2023*
(5) *The cost of the land that will be procured from our Company's internal accruals, for the New Valsad Unit prior to filing of the Red Herring Prospectus, will be updated in the Red Herring Prospectus.*
(6) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds*

The above fund requirements are based on our current business plan, management estimates, other commercial and technical factors including interest rates and other charges, and the financing and other agreements entered into by our Company, quotations received from third-party vendors, which are subject to change in the future and have not been appraised by any agency. These are based on current conditions and are subject to revisions in light of changes in costs, our financial condition, our business operations or growth strategy or external circumstances which may not be in our control. Also see, "*Risk Factors—We have not entered into any definitive agreements to use a portion of the proceeds of the Offer, including for setting up a new manufacturing facility for writing instruments at District Valsad, Gujarat. 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*" on page 37.

Additionally, we have also relied on the cost assessment report dated July 12, 2023 issued by the Chartered Engineer, (the "**Cost Assessment Report**"), in relation to the cost assessment for setting up the New Valsad Unit and a certificate issued by the Chartered Engineer dated July 12, 2023 in connection with the capital expenditure proposed to be undertaken by our Company and our Subsidiary, FWEPL.

Subject to applicable law, in the event of any increase in the actual utilization of funds earmarked for the purposes set out above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilization towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilized towards future growth opportunities, and/or towards funding any other purpose, and/or general corporate purposes, subject to applicable laws to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out under "—*Details of the Objects—General corporate purposes*" below and will be consistent with the requirements of our business. The estimated schedule of deployment of Net Proceeds is indicative and our management may vary the amount to be utilized in a particular Financial Year at its discretion.

For further information on factors that may affect our internal management estimates, 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, subject to certain approvals. 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 48.

Means of finance

The fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that 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 as required under Regulation 7(1)(e) the SEBI ICDR Regulations.

Details of the Objects

Our Board at its meeting held on July 10, 2023 approved the proposed objects of the Offer and the respective amounts proposed to be utilized from the Net Proceeds for each object.

1. ***Setting up the New Valsad Unit***

We aim to continue to be the largest player in pens segment in India. According to CRISIL, the key seven organized players, including our Company, are expected to continue the growth momentum and grow at a CAGR of 7.7-8.4% between Financial Years 2023 and 2028 which is expected to be driven by factors such as a rise in literacy rates and government initiatives towards education.

The table below sets details of our production capacity, capacity utilization, effective production capacity and effective capacity utilization, for the periods indicated:

Particulars	Financial Year				
	2023	% change	2022	% change	2021
Production capacity (*in million pieces*)	2,023.68	9.07	1,855.32	5.46	1,759.24
Capacity utilization (*in %*)	72.82	24.67	58.41	73.74	33.62
Effective production capacity (*in million pieces*)	1,978.33	9.63	1,804.48	3.08	1,750.51
Effective capacity utilization (*in %*)	74.49	24.05	60.05	77.72	33.79

(1) *Effective capacity means actual available capacity of the machines and moulds for the year which can be put to use. For example, a machine installed in March 2023 will have an annual installed capacity of 100 units while the effective capacity would only be 1/12 x 100 = 8.33 units.*
(2) *Based on the certificate dated July 12, 2023 issued by the Chartered Engineer.*

During this period, our capital expenditure comprising injection moulding machines, ancillary machines, moulds and other capital expenditure was ₹1,240.86 million. We aim to further increase our production capacity and capacity utilization and propose to utilize ₹956.22 million from the Net Proceeds towards capital expenditure in connection with setting up the New Valsad Unit. While ₹956.22 million from the Net Proceeds will be utilized for capital expenditure in connection with the New Valsad Unit, the land to set up the New Valsad Unit will be acquired by our Company from our internal accruals prior to filing of the Red Herring Prospectus.

The New Valsad Unit is being set up by our Company with the objective of leasing the New Valsad Unit to our Subsidiary, FWEPL on commercially acceptable terms for manufacture of a wide range of writing instruments. Undertaking the above expansion activities is in line with our business strategy to expand our production capacity. Further, we believe that 70% to 80% is the optimum capacity utilisation for our manufacturing facilities due to the wide range of products and the numerous components being used. This expansion would benefit our Company by increasing our overall manufacturing capacities for our existing products and enhance our competitive position in the writing instruments and houseware sectors. For further details of our strategies, see "*Our Business—Our Strategy—Continue to increase production capacity and enhance capacity utilization*" on page 172. Our Board in its meeting dated July 10, 2023 took note that an aggregate amount of ₹956.22 million is proposed to be utilized to set up the New Valsad Unit.

FWEPL proposes to purchase certain moulds, moulding machinery and assembly machines for the New Valsad Unit. In this regard, our Company proposes to invest ₹148.30 million in FWEPL from the Net Proceeds in the form of equity or debt, including inter-corporate loans or in any other manner as may be decided by our Board. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

Estimated Cost

The total estimated cost for setting up the New Valsad Unit comprises: (i) the acquisition of land, that will incurred by our Company from our internal accruals; (ii) construction of the manufacturing facility, which will be incurred by our Company from the Net Proceeds; and (iii) the purchase of certain moulds, moulding machinery and assembly machines, which will be incurred by FWEPL from the Net Proceeds.

The details of the estimated costs are set out below:

S. No.	**Particulars**	**Total estimated costs(1)(2)**	**Amount deployed as of June 30, 2023 from our Company's internal accruals**	**Amount proposed to be funded from the Net Proceeds**
		(in ₹ million)		
1.	Land	229.23	0.60(3)	Nil
2.	Building and civil work	807.92	Nil	807.92
3.	Injection moulding machinery and assembly machines	89.66	Nil	89.66
4.	Moulds	58.64	Nil	58.64
	Total	1,185.45	0.60	956.22

(1) *Based on the Cost Assessment Report.*
(2) *Applicable taxes (including any applicable customs duties) have been included in the estimated cost.*
(3) *The cost of the land that will be procured from our Company's internal accruals, for the New Valsad Unit prior to filing of the Red Herring Prospectus, will be updated in the Red Herring Prospectus.*

A. Land

The New Valsad Unit will be set up on land that will be acquired by our Company from our internal accruals prior to filing of the Red Herring Prospectus. Our Company will acquire this land from Mr. Kavinkumar P Shah and Mr. Darshil Kumar A Shah. In this regard, our Company has entered into a memorandum of understanding dated July 4, 2023 ("**MoU**") with Mr. Kavinkumar P Shah and Mr. Darshil Kumar A Shah. The cost of the land based on the MoU and Cost Assessment Report is estimated to be ₹229.23 million (including conversion and stamp duty costs). The total land required to set up the New Valsad Unit will be 370,000 square feet and will comprise the manufacturing facility, a warehouse and an administrative block.

Our Company has also obtained a title search report dated July 5, 2023 from Mr. Vinod Patel, independent legal professional, that states that the land is free of encumbrances and Mr. Kavinkumar P Shah and Mr. Darshil Kumar A Shah have a clear and marketable title over the land.

Our Company has paid an amount of ₹0.60 million as earnest money for acquisition of the land. The land will be registered in the name of our Company and a conveyance deed will be executed in favour of our Company upon payment of the remaining consideration for the land. The MoU requires the sale to be completed within a period of 12 months from the date of the MoU.

For risks in relation to use of the Net Proceeds for the acquisition of land, see "*Risk Factors—We have not entered into any definitive agreements to use a portion of the proceeds of the Offer, including for setting up a new manufacturing facility for writing instruments at District Valsad, Gujarat. 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*" on page 37.

B. Building and civil work

The costs associated with the construction of the building and civil work based on the Cost Assessment Report are set out below:[(1)]

S. No.	Particulars	Total estimated costs (*in ₹ million*)[(2)]	Amount proposed to be funded from Net Proceeds (*in ₹ million*)	Quotations received from	Date of quotation
	Building Work				
1.	Construction of Manufacturing Building No.1	186.82	186.82	K.G. Patel & Co.	May 31, 2023
2.	Construction of Manufacturing Building No.2	186.82	186.82	K.G. Patel & Co.	May 31, 2023
3.	Construction of Administrative Building	40.12	40.12	K.G. Patel & Co.	May 31, 2023
4.	Construction of Warehouse	129.80	129.80	K.G. Patel & Co.	May 31, 2023
5.	Miscellaneous work (road, compound wall, underground water tank and others miscellaneous work)	120.00	120.00	K.G. Patel & Co.	May 31, 2023
	Sub-total (A)	**663.568**	**663.568**		
	Civil Work				
1.	Electrical Fittings for Manufacturing Building No. 1	29.53	29.53	Moon light	May 31, 2023
2.	Electrical Fittings for Manufacturing Building No 2	29.53	29.53	Moon light	May 31, 2023
3.	Electrical Fittings for Administrative Building	10.16	10.16	Moon light	May 31, 2023
4.	Electrical Fittings for Warehouse	5.08	5.08	Moon light	May 31, 2023
5.	Lift 1, for Manufacturing Building No. 1	1.79	1.79	BFL lifts	May 31, 2023
6.	Lift 2, for Manufacturing Building No. 1	1.66	1.66	BFL lifts	May 31, 2023
7.	Lift 1, for Manufacturing Building No. 2	1.79	1.79	BFL lifts	May 31, 2023
8.	Lift 2 for Manufacturing Building No. 2	1.66	1.66	BFL lifts	May 31, 2023

S. No.	Particulars	Total estimated costs (*in ₹ million*)[(2)]	Amount proposed to be funded from Net Proceeds (*in ₹ million*)	Quotations received from	Date of quotation
Building Work					
9.	Lift for Administrative Building	0.82	0.82	BFL lifts	May 31, 2023
10.	Furniture and Fixtures	17.68	17.68	Shree Bajrangbali Interior	June 1, 2023
11.	Supply and Installation Fire Hydrant , Fire Alarm System and PA System Quotation – Manufacturing Building No. 1	9.22	9.22	Dream Engineering	June 1, 2023
12.	Supply and Installation Fire Hydrant, Fire Alarm System and Public Announcement System Quotation – Manufacturing Building No. 2	8.96	8.96	Dream Engineering	June 1, 2023
13.	Supply and Installation Fire Hydrant, Fire Alarm System & PA System Quotation – Adminstrative Building	2.52	2.52	Dream Engineering	June 1, 2023
14.	Supply and Installation Fire Hydrant, Fire Alarm System and Public Announcement System Quotation – Warehouse	4.69	4.69	Dream Engineering	June 1, 2023
15.	Fire Water Storage Tank	5.56	5.56	Dream Engineering	June 1, 2023
16.	Architects fees	13.70	13.70	Krishna Consultancy	May 31, 2023
	Sub-total (B)	**144.37**	**144.37**		
	Total (A+B)	**807.92**	**807.92**		

(1) *Based on the Cost Assessment Report.*
(2) *Applicable taxes have been included in the estimated cost.*

C. Machinery

The costs associated with purchase of machinery by FWEPL for the New Valsad Unit are set out below:

I. *Injection Moulding Machinery*[(1)]

S. No.	Particulars	Total estimated costs (*in ₹ million*) [(2)]	Amount proposed to be funded from Net Proceeds (*in ₹ million*)	Quantity	Quotations received from	Date of quotation
1.	TS 150/510-900, injection moulding machine	42.61	42.61	15	Shibaura Machine India	June 20, 2023
2.	TS 200/ 580-1400, injection moulding machine	20.40	20.40	5	Shibaura Machine India	June 20, 2023
Total		**63.01**	**63.01**	20		

(1) *Based on the Cost Assessment Report.*
(2) *Applicable taxes have been included in the estimated cost.*

II. *Assembly Machines*[(1)]

S. No.	Particulars	Total estimated costs (*in ₹ million*)[(2)(3)]	Amount proposed to be funded from Net Proceeds (*in ₹ million*)	Quantity	Quotations received from	Date Of quotation
1.	Miniz complete pen assembly machine	8.48[(2)]	8.48	1 set	ORT International	June 21, 2023
2.	Medium complete pen assembly machine	8.48[(2)]	8.48	1 set	ORT International	June 21, 2023
3.	Coco complete pen assembly machine	4.25[(2)]	4.25	1 set	ORT International	June 21, 2023
4.	Bold maker complete pen assembly machine	2.72[(2)]	2.72	1 set	ORT International	June 21, 2023
5.	Maker new-ii complete pen assembly machine	2.72[(2)]	2.72	1 set	ORT International	June 21, 2023
Total		**26.65**	**26.65**	5 set		

(1) *Based on the Cost Assessment Report.*
(2) *These quotations are denominated in USD, for the purposes of the above table, USD-INR conversion rate, as on May 21, 2023, of ₹83.50 has been assumed. Any increase in the estimated costs due to fluctuation in the USD-INR conversion will be paid for by our Company through our internal accruals.*
(3) *Applicable taxes (including any applicable customs duties) have been included in the estimated cost.*

D. Moulds[(1)]

S. No.	Particulars	Total estimated costs (*in ₹ million*)[(2)(3)]	Amount proposed to be funded from Net Proceeds (*in ₹ million*)	Quantity	Quotations received from	Date Of quotation
1.	Dura – cap, barrel, back plug	6.78	6.78	1	Zhejiang HMT	June 21, 2023
2.	Coco – cap, barrel, back plug	7.46	7.46	1	Zhejiang HMT	June 21, 2023
3.	Medium – cap, barrel, back plug	11.01	11.01	1	Zhejiang HMT	June 21, 2023
4.	Miniz - cap, barrel, back plug	18.97	18.97	1	Zhejiang HMT	June 21, 2023
5.	Maker new – ii – cap, top button, barrel, back plug	7.63	7.63	1	Ningbo Kingmold	June 21, 2023
6.	Mp-06 - barrel, nozzle, clip, top button	6.78	6.78	1	Ningbo Kingmold	June 21, 2023
Total		**58.64**	**58.64**	6		

(1) *Based on the Cost Assessment Report.*
(2) *These quotations are denominated in USD, for the purposes of the above table, USD-INR conversion rate of ₹83.50, as on May 21, 2023, has been assumed. Any increase in the estimated costs due to fluctuation in the USD-INR conversion will be paid for by our Company through our internal accruals.*
(3) *Applicable taxes (including any applicable customs duties) have been included in the estimated cost.*

All quotations received from the above 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 above 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 specified costs. Also see, "*Risk Factors—We have not entered into any definitive agreements to use a portion of the proceeds of the Offer, including for setting up a new manufacturing facility for writing instruments at District Valsad, Gujarat. 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*" and "*Risk Factors—We have not placed orders for machinery* *of value of ₹750.19 million constituting approximately 100% of the value of the total machinery to be purchased from the Net Proceeds*" on pages 37 and 49, respectively. The quantity of machinery to be purchased is based on the estimates of our Company's management. No second-hand or used equipment is proposed to be purchased out of the Net Proceeds. Our Promoters, Directors, Key Managerial Personnel and Senior Management do not have any interest in the proposed purchase of machinery and equipment, or in the entities from whom we have obtained quotations in relation to such activities.

Approvals

While there are no material approvals that will be required in connection with setting up the New Valsad Unit, certain other business related approvals are set out below:(1)

S. No.	Approval	Authority	Status
1.	Title search report	Lawyer	Completed
2.	Conversion of land for industrial use	District Collector, District - Valsad	To be applied after purchase of the land
3.	Building plan approval	Town Planning and Gram Panchayat, District - Valsad	To be applied at the appropriate stage
4.	Approval under the Factories Act, 1948	Factory Inspector	To be applied at the appropriate stage
5.	No objection certification from the Fire and Safety Department	Fire and Safety Department	To be applied at the appropriate stage
6.	Factory license	Labour office	To be applied at the appropriate stage
7.	GST registration	GST Department	To be applied at the appropriate stage
8.	Pollution certificate	State Pollution Control Board	To be applied at the appropriate stage

(1) *Based on the Cost Assessment Report.*

Our Company will undertake the relevant steps to apply to the authorities for the relevant approvals in accordance with applicable law.

Schedule of implementation

Set out below are details of the deployment of the Net Proceeds towards the capital expenditure described above.(1)

S. No.	Particulars	Expected date of commencement	Expected date of completion
1.	Acquisition of land	-	August 2023
2.	Conversion of land into industrial use	August 2023	September 2023
3.	Government approval for construction	February 2024	March 2024
4.	Final approval of construction plan	March 2024	March 2024
5.	Construction of the New Valsad Unit	April 2024	February 2025
6.	Installation of machinery and moulds	March 2025	June 2025
7.	Commencement of production	July 2025	July 2025

(1) *Based on the Cost Assessment Report.*

2. ***Funding capital expenditure of our Company and our Subsidiary, FWEPL***

As of the date of this Draft Red Herring Prospectus, our Company has 11 manufacturing facilities with a combined production capacity of 2,023.68 million pieces per annum as of March 31, 2023 (other than the plant in Naigaon where primarily metal-based writing instruments and calculators are manually assembled) and capacity utilization of 72.82% in the Financial Year 2023, according to the Chartered Engineer, pursuant to the certificate dated July 12, 2023. Our manufacturing facilities are located across various states and union territories in India which give us an advantage in terms of availability of quality labour, adequate power, state government incentives and spreading our concentration risks in one geography. The plants includes moulds, injection moulding machines, blow moulding machines, compression 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, polyurethane (PU) filling machine, laser engraving machine, welding machines, rolling machines, bending machines, water bulging machines, sand blasting machines, automatic and semi-automatic assembly machines. We use high-quality machines and moulds imported from countries such as Germany, South Korea, China, Spain and Switzerland, in addition to machines and moulds procured from within India, which enables us to engage in high precision manufacturing. We seek to integrate technology into our processes at key stages of design, manufacturing and distribution to increase efficiency and ensure optimization and quality in a cost-effective manner. We have also introduced automatic and semi-automatic assembly and packing machines and endeavor to control our manufacturing processes through increasing backward integration. We aim to continue to invest in machinery to increase our production capacity for our existing portfolio of products. For further details, see "*Our Business—Our Strategy—Continue to increase production capacity and enhance capacity utilization*" on page 172. Our Company will utilize the Net Proceeds to set up new manufacturing lines for tip manufacturing at our units at Daman Unit-III and procure certain moulds and machinery for our unit at Valsad to expand our existing production capacity.

Estimated cost

The total estimated cost of the machinery proposed to be acquired from the Net Proceeds aggregates to ₹867.48 million. The capital requirements, the deployment of funds and the intended use of the Net Proceeds, are based on our current business plan, management estimates, current and valid quotations from suppliers and other commercial and technical factors. Our Board in its meeting dated July 10, 2023 took note that an aggregate amount of ₹867.48 million of the Net Proceeds to be utilized for expansion of existing manufacturing capacity of our Company and FWEPL.

The above capital expenditure will be undertaken by our Company to an extent of ₹394.84 million and by our Subsidiary, FWEPL to an extent of ₹472.64 million. In this regard, our Company proposes to invest ₹472.64 million in FWEPL from the Net Proceeds in the form of equity or debt, including inter-corporate loans or in any other manner as may be decided by our Board. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

Set out below is a list of the machinery proposed to be acquired by each of our Company and FWEPL and the details of the quotations obtained.(1)

S. No.	Particulars	Quantity	Total estimated costs (*in ₹ million*)(2)	Amount proposed to be funded from the Net Proceeds (*in ₹ million*)	Quotations received from	Range of dates of quotations
Capital expenditure proposed to be undertaken by our Company						
1.	Moulds(3)	14	61.48	61.48	Ningbo Kingmold Machinery Co., Limited; Zhejaing HTM Technology Co., Ltd; Poonghan Creator Co.; Qingdao Strong Trade Co., Ltd.	May 18, 2023 – May 19, 2023
2.	Injection moulding machinery	4	13.51	13.51	Shibaura Machine India Private Limited	June 6, 2023
3.	Extruder	1	11.74	11.74	Extrusion Engineer	June 18, 2023
4.	Assembly machines(3)	15	45.75	45.75	Huizhou Gentech Automation Co., Ltd; ORT International Trading Co., Ltd	May 4, 2023 – May 19, 2023
5.	Automatic printing machine(3)	1	1.71	1.71	Hengxin Printing Machinery Limited	June 8, 2023

S. No.	Particulars	Quantity	Total estimated costs (*in ₹ million*)[(2)]	Amount proposed to be funded from the Net Proceeds (*in ₹ million*)	Quotations received from	Range of dates of quotations
6.	Pad printing machines[(3)]	2	0.87	0.87	ORT International Trading Co., Ltd	May 18, 2023
7.	Foiling machines[(3)]	2	1.16	1.16	ORT International Trading Co., Ltd	May 18, 2023
8.	Packing machines	4	10.49	10.49	ORT International Trading Co., Ltd	May 19, 2023
9.	Centrifugal machines[(3)]	2	0.74	0.74	Qingdao Strong Trade Co., Ltd.	May 18, 2023
10.	Vacuum centrifugal machine[(3)]	1	1.03	1.03	Qingdao Strong Trade Co., Ltd.	May 18, 2023
11.	Writing test machine[(3)]	1	5.09	5.09	ORT International Trading Co., Ltd	May 18, 2023
12.	Tips machine[(4)]	5	221.85	221.85	Mikron Switzerland AG	May 17, 2023
13.	TR machine[(4)]	3	19.42	19.42		
Sub-Total (A)			**394.84**	**394.84**		
Capital expenditure proposed to be undertaken by FWEPL						
1.	Moulds[(3)]	22	145.47	145.47	Ningbo Kingmold Machinery Co., Limited; Zhejaing HTM Technology Co., Ltd; Poonghan Creator Co.	May 18, 2023 – May 19, 2023
2.	Injection moulding machine	45	214.39	214.39	Shibaura Machine India Private Limited	May 30, 2023 - June 6, 2023
3.	Assembly machines[(3)]	20	57.77	57.77	Huizhou Gentech Automation Co., Ltd; ORT International Trading Co., Ltd	May 4, 2023 – May 19, 2023
4.	Refill assembly machine[(3)]	7	21.71	21.71	Huizhou Gentech Automation Co., Ltd	May 18, 2023
5.	Pad printing machines[(3)]	3	1.29	1.29	ORT International Trading Co., Ltd	May 19, 2023
6.	Foiling machines[(3)]	3	1.73	1.73	ORT International Trading Co., Ltd	May 18, 2023
7.	Packing machines[(3)]	4	11.88	11.88	ORT International Trading Co., Ltd	May 18, 2023
8.	Centrifugal machine[(3)]	3	1.10	1.10	Qingdao Strong Trade Co., Ltd.	May 18, 2023
9.	Vacuum centrifugal machines[(3)]	2	2.05	2.05	Qingdao Strong Trade Co., Ltd.	May 18, 2023
10.	Writing test machine[(3)]	3	15.25	15.25	ORT International Trading Co., Ltd	May 18, 2023
Sub-Total (B)			**472.64**	**472.64**		
Total (A+B)			**867.48**	**867.48**		

(1) *Based on the certificate dated July 12, 2023 issued by the Chartered Engineer.*

(2) *Applicable taxes (including any applicable customs duties) have been included in the estimated cost. Certain equipment quotations and cost estimates are subject to additional charges including freight, transit, clearing and forwarding costs, transportation costs, packaging costs, insurance costs as applicable, which shall be paid from the Net Proceeds.*

(3) *These quotations are denominated in USD, for the purposes of the above table, USD-INR conversion rate of ₹83.50 as on May 21, 2023 has been assumed. Any increase in the estimated costs due to fluctuation in the USD-INR conversion will be paid for by our Company through our internal accruals.*

(4) *These quotations are denominated in CHF, for the purposes of the above table, CHF-INR conversion rate of ₹91.50 as on May 21, 2023 has been assumed. Any increase in the estimated costs due to fluctuation in the CHF-INR conversion will be paid for by our Company through our internal accruals.*

All quotations received from the above 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 above 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 specified costs. Also see, "*Risk Factors—We have not placed orders for machinery of value of ₹750.19 million constituting approximately 100% of the value of the total machinery to be purchased from the Net Proceeds*" on page 49. The quantity of machinery to be purchased is based on the estimates of our Company's management. No second-hand or used equipment is proposed to be purchased out of the Net Proceeds. Our Promoters, Directors, Key Managerial Personnel and Senior Management do not have any interest in the proposed purchase of machinery and equipment, or in the entities from whom we have obtained quotations in relation to such activities.

3. ***Funding working capital requirements of our Company and our Subsidiaries***

Our Company and our Subsidiaries fund a majority of their respective working capital requirements in the ordinary course of business from financing availed from banks and internal accruals. Our Company proposes to utilise ₹770.00 million from the Net Proceeds towards funding our Company's and our Subsidiaries' incremental working capital requirements. Our Company proposes to utilise ₹440.00 million and ₹330.00 to fund our Company's and our Subsidiaries' incremental working capital requirements in Financial Year 2024 and Financial Year 2025, respectively. Of the ₹770.00 million, ₹470.00 million will be utilized to fund the working capital requirements of our Company and ₹100.00 million and ₹200.00 million will be utilized to fund the working capital requirements of FWEPL and FCIPL, respectively, in Financial Year 2024 and Financial Year 2025.

In order to fund the working capital requirements of our Subsidiaries, our Company proposes to invest ₹100.00 million in FWEPL and ₹200.00 million in FCIPL to fund their respective working capital requirements. To the extent our Company deploys the Net Proceeds in our Subsidiaries, for the purpose of funding their working capital requirements, it shall be in the form of equity or debt, including inter-corporate loans or in any other manner as may be decided by our Board. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

As on June 30, 2023, our total outstanding indebtedness in respect of our working capital facilities was ₹436.16 million on a consolidated basis. For further details of the working capital facilities currently availed by our Company, see "*Financial Indebtedness*" and "*Restated Consolidated Financial Information*" on pages 315 and 234, respectively. Further, for risks in relation to use of the Net Proceeds for funding working capital gap of our Company and our Subsidiaries, see "*Risk Factors—We have significant working capital requirements and the objects of the Offer include funding working capital requirements of our Company and our Subsidiaries, which is based on certain assumptions and estimates. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial conditions*" on page 39. Our Board in its meeting dated July 10, 2023 took note that an aggregate amount of ₹770.00 million is proposed to be utilized to fund the working capital requirements of our Company and our Subsidiaries.

Basis of estimation of incremental working capital gap in respect of our Company and our Subsidiaries

A. Our Company

Existing working capital

The details of our Company's working capital as of March 31, 2023, March 31, 2022, March 31, 2021 and source of funding, derived from the audited standalone financial statements of our Company, as certified by the Statutory Auditors, pursuant to their certificate dated July 14, 2023, are set forth below: (1)

S. No.	Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
		(in ₹ million)		
I.	**Current assets**			
	Investments	-	-	162.67
	Inventories	1,864.89	1,787.20	1,283.84
	Trade receivables	1,617.35	1,416.57	1,101.16
	Cash/ bank balance	6.31	3.18	5.91
	Other current assets	651.60	317.85	250.43
	Total current assets (A)	**4,140.15**	**3,524.80**	**2,804.01**
II.	**Current liabilities**			
	Trade payables	529.11	474.25	380.91
	Other current liabilities	403.19	379.06	277.47
	Total current liabilities (B)	932.30	853.31	658.38
III.	**Total working capital requirement (A-B)**	**3,207.85**	**2,671.49**	**2,145.63**
IV.	**Funding pattern**			
	Internal accruals/bank borrowings	3,207.85	2,671.49	2,145.63
	Total	**3,207.85**	**2,671.49**	**2,145.63**

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

The details of the estimated working capital requirements of our Company for the Financial Years 2024 and 2025 as approved by our Board pursuant to its resolution dated July 10, 2023 are as set out in the table below: (1)

S. No.	Particulars	As of March 31, 2025 (Estimated)	As of March 31, 2024 (Estimated)
		(in ₹ million)	
I.	**Current assets**		
	Investments	-	-
	Inventories	2,350.00	2,180.00
	Trade receivables	2,093.50	1,859.20
	Cash/ bank balance	745.60	161.40
	Other current assets	546.00	660.00
	Total current assets (A)	**5,735.10**	**4,860.60**
II.	**Current liabilities**		
	Trade payables	713.80	671.70
	Other current liabilities	449.86	430.38
	Total current liabilities (B)	**1,163.66**	**1,102.08**
III.	**Total working capital requirement (A-B)**	**4,571.44**	**3,758.52**
IV.	**Funding pattern**		
	Internal accruals/borrowings	4,376.44	3,483.52
	Part of the net proceeds	195.00	275.00
	Total	**4,571.44**	**3,758.52**

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

Holding levels

The following table sets forth the details of the holding period levels (in days) considered: [(1)]

S. No.	Particulars	Actuals			Projected	
		As of March 31, 2023	As of March 31, 2022	As of March 31, 2021	As of March 31, 2025	As of March 31,2024
1.	Inventory days[(2)]	135	189	310	131	134
2.	Trade receivables days[(3)]	61	83	173	61	62
3.	Other current assets[(4)]	20	19	29	19	23
4.	Trade payables days[(5)]	37	53	108	40	40
5.	Other current liabilities[(6)]	19	26	32	17	18

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*
(2) *Inventory days: Average of inventory for the current and previous period / direct cost (including cost of goods sold and other direct expenses) for the current period * 365*
(3) *Trade receivable days: Average of trade receivables for the current and previous period/ revenue from operations * 365*
(4) *Other Current Assets days: Average of other current assets for the current and previous period/ revenue from operations * 365*
(5) *Trade payable days: Average of trade payables for the current and previous period/total direct cost for the current period \ * 365*
(6) *Other current assets days: Average of other current and financial assets for the current and previous period / revenue from operations * 365.*
(7) *Other current liabilities days: Average of other current liabilities for the current and previous period / total operating cost for the current period * 365.*

Key assumptions and justification for Holding Period Levels[(1)]

Particulars	Assumptions and justifications
Current assets	
Inventory	The Company's inventory holding period for Financial Year 2024 and Financial Year 2025 is in line with the holding period for Financial Year 2023 and has been projected within the range of 131 to 134 days for the Financial Years 2024 and 2025. Total inventory levels are expected to increase in line with the business volumes and projected business activity in the Financial Year 2024 and Financial Year 2025.
Trade receivables	The Company's trade receivables days for Financial Year 2024 and Financial Year 2025 are in line with the Financial Year 2023 and has been projected as 61-62 days for the Financial Years 2024 and 2025. Total trade receivables are expected to increase with the anticipated growth in the writing instruments business in the Financial Year 2024 and Financial Year 2025.
Other current assets	The category of "Other current assets" primarily includes balances such as loan to subsidiary company, security deposit, Advance to suppliers, Balances with statutory authorities, and other similar items. To align with the projected business activity, the company has projected the level of other current assets within the range of 19 to 23 days for the Financial Years 2024 and 2025.
Current liabilities	
Trade payables	Our trade payable days for Financial Year 2024 and Financial Year 2025 are in line with the Financial Year 2023 and has been projected at 40 days for the Financial Years 2024 and 2025. Overall increase in trade payable is in line with the projected business activity for the writing instruments business.
Other current liabilities	The category of "Other current liabilities" primarily includes items such as Wages Payable, Provision for Employee Benefits, statutory payments dues, advances from customers, Tax Expenses, and other similar obligations. To align with the projected business activity, the company has projected the level of other current liabilities within the range of 17 to 18 days for the Financial Years 2024 and 2025.

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*
(2) *Working capital for Financial Year 2022 and Financial Year 2023 is not comparable with Financial Year 2021 due to the impact of COVID-19 on our operations in Financial Year 2021. Further, our Company took certain measures to improve operating efficiency in Financial Year 2022 resulting in reduction in working capital days in Financial Year 2023.*

B. FWEPL

Existing Working Capital

The details of our FWEPL's working capital as of March 31, 2023, March 31, 2022, March 31, 2021 and source of funding, derived from the audited standalone financial statements of FWEPL, as certified by the Statutory Auditors, pursuant to their certificate dated July 14, 2023, are set forth below: [1]

(₹ million)

S. No.	Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
I.	**Current assets**			
	Inventories	232.76	52.88	28.96
	Trade receivables	144.62	64.16	46.35
	Cash/ bank balance	1.54	0.14	0.05
	Other current assets	71.31	29.15	29.52
	Total current assets (A)	**450.23**	**146.34**	**104.88**
II.	**Current liabilities**			
	Trade payables	159.99	45.17	20.69
	Other current liabilities	28.87	35.29	5.45
	Total current liabilities (B)	**188.86**	**80.46**	**26.14**
III.	**Total working capital requirement (A-B)**	**261.37**	**65.88**	**78.74**
IV.	**Funding pattern**			
	Internal accruals/bank borrowings	261.37	65.88	78.74
	Total	**261.37**	**65.88**	**78.74**

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

The details of the estimated working capital requirements of FWEPL for the Financial Years 2024 and 2025 as approved by our Board pursuant to its resolution dated July 10, 2023 are as set out in the table below: [1]

(₹ million)

S. No.	Particulars	As of March 31, 2025	As of March 31, 2024
I.	**Current assets**		
	Inventories	325.00	200.00
	Trade receivables	200.00	160.00
	Cash/ bank balance	5.33	6.18
	Other current assets	70.00	79.00
	Total current assets (A)	**600.33**	**445.18**
II.	**Current liabilities**		
	Trade payables	150.00	75.00
	Other current liabilities	53.82	40.81
	Total current liabilities (B)	**203.82**	**115.81**
III.	**Total working capital requirement (A-B)**	**396.51**	**329.37**
IV.	**Funding pattern**		
	Internal accruals/borrowings	361.51	264.37
	Part of the net proceeds	35.00	65.00
	Total	**396.51**	**329.37**

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

Holding levels

The following table sets forth the details of the holding period levels (in days) considered: [1]

S. No.	Particulars	Actuals			Estimated	
		As of March 31, 2023	As of March 31, 2022	As of March 31, 2021	As of March 31, 2025	As of March 31, 2024
1.	Inventory days[(2)]	204	104	110	194	211
2.	Trade receivables days[(3)]	76	77	81	67	75
3.	Other current assets[(4)]	37	41	63	28	37
4.	Trade payables days[(5)]	146	84	98	83	114
5.	Other current liabilities[(6)]	32	35	52	25	24

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

(2) *Inventory days: Average of inventory for the current and previous period / direct cost (including cost of goods sold and other direct expenses) * 365*

(3) *Trade receivable days: Average of trade receivables for the current and previous period/ revenue from operations * 365*

(4) *Other Current Assets days: Average of other current assets for the current and previous period/ revenue from operations * 365*

(5) *Trade payable days: Average of trade payables for the current and previous period / total direct cost for the current period * 365*

(6) *Other current assets days: Average of other current and financial assets for the current and previous period / revenue from operations * 365.*

(7) *Other current liabilities days: Average of other current liabilities for the current and previous period / total operating cost for the current period * 365.*

Key assumptions and justification for Holding Period Levels[(1)]

Particulars	Assumptions and justifications
Current assets	
Inventory	FWEPL's inventory holding period increased from 104 days in Financial Year 2022 to 204 days in Financial Year 2023, reflecting the introduction of a new segment (Houseware items) in Financial Year 2023. For Financial Year 2024 and Financial Year 2025, the inventory holding period is projected in the range of 194 and 211 days in line with Financial Year 2023. The expected increase in inventory levels in Financial Year 2025 is in line with anticipated increases in business volumes and activity.
Trade receivables	FWEPL's trade receivables days for Financial Year 2024 and Financial Year 2025 are in line with the Financial Year 2023 and has been projected in the range of 67-75 days for the Financial Years 2024 and 2025 with slight reduction anticipated on account of effective management of the account receivables. Total trade receivables are expected to increase with the anticipated growth in the increased business volumes in the Financial Year 2024 and Financial Year 2025.
Other current assets	In line with the projected business activity, the company has projected the level of "Other current assets," which primarily consists of balances with advance to suppliers, loan to employees, balances with statutory authorities, etc., within the range of 28 to 37 days for the Financial Years 2024 and 2025.
Current liabilities	
Trade payables	The increase in the trade payables holding period, from 84 days in Financial Year 2022 to 146 days in Financial Year 2023 was primarily driven by the introduction of the houseware segment. However, to align with the projected business activity specifically for the Financial Years 2024 and 2025 in the business, the company has strategically reduced and projected the trade payables holding period within the range of 83 to 114 days.
Other current liabilities	The category of "Other current liabilities" primarily includes items such as wages payable, payables on account of purchase of property, plant and equipment, provision for employee benefits, statutory payments dues, advances from customers, tax expenses, and other similar obligations. To align with the projected business activity, the company has projected the level of other current liabilities within the range of 24 to 25 days for the Financial Years 2024 and 2025.

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

C. FCIPL

Existing Working Capital

The details of FCIPL's working capital as of March 31, 2023, March 31, 2022, March 31, 2021 and source of funding, derived from the audited standalone financial statements of FCIPL, as certified by the Statutory Auditors, pursuant to their certificate dated July 14, 2023, are set forth below: [(1)]

(₹ million)

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I.	**Current assets**			
	Inventories	39.96	-	-
	Trade receivables	-	-	-
	Cash and Cash Equivalent	0.09		
	Other current assets	25.51	-	-
	Total current assets (A)	**65.56**	-	-
II.	**Current liabilities**			
	Trade payables	1.81	-	-
	Other current liabilities	23.80	-	-
	Total current liabilities (B)	**25.61**	-	-
III.	**Total working capital requirement (A-B)**	**39.95**	**-**	**-**
IV.	**Funding pattern**			
	Internal accruals/bank borrowings	39.95	-	-
	Total	**39.95**	-	-

[(1)] *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

The details of the estimated working capital requirements of FCIPL for the Financial Years 2024 and 2025 as approved by our Board pursuant to its resolution dated July 10, 2023 are as set out in the table below:[(1)]

(₹ million)

S. No.	Particulars	As of March 31, 2025	As of March 31, 2024
I.	**Current assets**		
	Inventories	220.00	125.90
	Trade receivables	300.00	140.00
	Cash/ bank balance	4.30	3.70
	Other current assets	18.00	15.00
	Total current assets (A)	**542.30**	**284.60**
II.	**Current liabilities**		
	Trade payables	110.00	60.00
	Other current liabilities	34.06	29.10
	Total current liabilities (B)	**144.06**	**89.10**
III.	**Total working capital requirement (A-B)**	**398.24**	**195.50**
IV.	**Funding pattern**		
	Internal accruals	298.24	95.50
	Part of net proceeds	100.00	100.00
	Total	**398.24**	**195.50**

[(1)] *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

Holding levels

The following table sets forth the details of the holding period levels (in days) considered: [(1)]

S. No.	Particulars	Actuals			Estimated	
		As of March 31, 2023	As of March 31, 2022	As of March 31, 2021	As of March 31, 2025	As of March 31,2024
1.	Inventory days[2]	-	-	NA	94	116
2.	Trade receivables days[3]	-	-	NA	69	58
3.	Other current assets[4]	-	-	NA	5	17
4.	Trade payables days[5]	-	-	NA	46	43
5.	Other current liabilities[6]	-	-	NA	13	30

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

(2) *Inventory days: Average of inventory for the current and previous period / direct cost (including cost of goods sold and other direct expenses) * 365*

(3) *Trade receivable days: Average of trade receivables for the current and previous period/ revenue from operations * 365*

(4) *Other Current Assets days: Average of other current assets for the current and previous period/ revenue from operations * 365*

(5) *Trade payable days: Average of trade payables for the current and previous period / total direct cost for the current period * 365*

(6) *Other current assets days: Average of other current and financial assets for the current and previous period / revenue from operations * 365.*

(7) *Other current liabilities days: Average of other current liabilities for the current and previous period / total operating cost for the current period * 365.*

Key assumptions and justification for Holding Period Levels[1]

Particulars	Assumptions and justifications
Current assets	
Inventory	During Financial Year 2023, there was no business activity in FCIPL. In Financial Year 24, FCIPL commenced its operations and dispatched its first order in June 23. In line with the projected business requirements for the Financial Years 2024 and 2025, inventory levels of 94 to 116 days are projected
Trade receivables	There was no business activity in FCIPL as on Financial Year 2023. FCIPL has started the business in Financial Year 2024 with first order dispatched in June, 2023. Trade receivable levels of 58 to 69 days are projected in line with projected business requirements for the Financial Years 2024 and 2025.
Other current assets	The category of "Other current assets" primarily includes items such as security deposits, balances with government authorities, advance to suppliers, and other similar assets. In line with the projected business activity, the company has projected other current assets to be within the range of 5 to 17 days for the Financial Years 2024 and 2025.
Current liabilities	
Trade payables	During Financial Year 2023, there was no business activity in FCIPL and its business activity commenced in Financial Year 2024. Based on the projected business activity for the Financial Years 2024 and 2025, trade payable levels of 43 to 46 days are projected.
Other current liabilities	The category of "Other current liabilities" primarily includes items such as payables on account of purchase of property, plant and equipment, provision for employee benefits, advances from customers, and other similar obligations. To align with the projected business activity, the company has projected the level of other current liabilities within the range of 13 to 30 days for the Financial Years 2024 and 2025.

(1) *As certified by the Statutory Auditors pursuant to their certificate dated July 14, 2023.*

4. ***Repayment/pre-payment, in part or full, of certain borrowings availed by our Company and our Subsidiaries, FWEPL and FCIPL***

Our Company and our Subsidiaries have entered into financing arrangements for term loans and working capital facilities to fund their expansion activities and operational requirements. We intend to utilize an amount of ₹430.00 million from the Net Proceeds for financing the repayment/pre-payment, in part or full, of certain borrowings availed by our Company and our Subsidiaries.

Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with our Company's business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

However, the aggregate amount to be utilized from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹430.00 million.

In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans, as the case may be. Accordingly, our Company and our Subsidiaries may utilize the Net Proceeds for financing any prepayment fees or penalties levied on our Company or our Subsidiaries in relation to this repayment.

The details of the outstanding borrowings, availed by our Company and our Subsidiaries, proposed to repaid or pre-paid, in full or part, from the Net Proceeds are set forth below:

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S. No.	Name of Borrower	Name of the lender	Date of sanction letter	Date of loan agreement	Principal loan amount sanctioned (₹ million)*	Balance amount outstanding as of June 30, 2023 (₹ million)*	Interest rate as of June 30, 2023 (% per annum)*	Tenor and repayment schedule*	Purpose for which disbursed loan amount was sanctioned and utilized*	Pre-payment penalty*
1.	Flair Writing Industries Limited	Citibank N.A	August 2, 2022	August 2, 2022	210.00	210.00	1 month T Bill + 2%	End to end tenor of five years with quarterly rest and six month moratorium.	For capital expenditure	Prepayment is permitted, in full or in minimum in accordance with Clause 5 of the standard terms. Prepayment penalty is 2% of outstanding loan amount.
2.	Flair Writing Equipments Private Limited	Citibank N.A	August 2, 2022	August 2, 2022	120.00	120.00	1 month T Bill + 2 %	End to end tenor of five years with quarterly rest and six month moratorium.	For capital expenditure	Prepayment is permitted, in full or in minimum in accordance with Clause 4 of the standard terms. Prepayment penalty is 2% of outstanding loan amount.

S. No.	Name of Borrower	Name of the lender	Date of sanction letter	Date of loan agreement	Principal loan amount sanctioned (₹ million)*	Balance amount outstanding as of June 30, 2023 (₹ million)*	Interest rate as of June 30, 2023 (% per annum)*	Tenor and repayment schedule*	Purpose for which disbursed loan amount was sanctioned and utilized*	Pre-payment penalty*
3.	Flair Cyrosil Industries Private Limited	Citibank N.A	August 2, 2022	October 25, 2022	200.00	147.87^	1 month T Bill + 2 %	End to end tenor of five years with quarterly rest and 6 month moratorium.	For capital expenditure	At the discretion of Citibank N.A. Prepayment penalty is 2% of outstanding loan amount.

** In accordance with paragraph 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Statutory Auditors have issued a certificate dated July 14, 2023 certifying that the borrowings have been utilized towards the purposes for which such borrowings were availed.*

^ ₹151. 15 million has been disbursed in two tranches, ₹69 million on October 20, 2022 and ₹82.50 million on May 25, 2023.

We may consider the following factors for identifying the loans that will be repaid or pre-paid out of the Net Proceeds: (i) costs, expenses and charges relating to the facility including interest rates involved; (ii) presence of onerous terms and conditions under the facility; (iii) ease of operation with the lender; (iv) terms and conditions of consents and waivers; (v) provisions of any law, rules, regulations governing such borrowings; and/or (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs, improve our consolidated financial position, performance and debt-to-equity ratio and enable utilisation of our internal accruals for further investment in the growth and expansion of our business. Additionally, we believe that such reduction of our outstanding indebtedness will improve our ability to raise further resources in the future to fund our potential business development opportunities.

For the purposes of the Offer, we have obtained the necessary consent from the lenders as is required under the relevant loan documentation for undertaking activities in relation to the Offer, including consequent actions.

To the extent our Company deploys the Net Proceeds in our Subsidiaries, for the purpose of prepayment or repayment of all or a portion of the above borrowings, it shall be in the form of equity or debt, including inter-corporate loans or in any other manner as may be decided by our Board. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

5. ***General corporate purposes***

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include, but are not limited to, funding any shortfall in any of the abovementioned Objects, funding growth opportunities, acquisitions or strategic initiatives, strengthening marketing capabilities, investment to expand our presence outside India, interest payments and other debt servicing costs and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with applicable laws, incurred by our Company in the ordinary course of business, as may be applicable. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilizing surplus amounts, if any. In addition to the above, our Company may utilize the balance Net Proceeds towards any other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable law.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The Offer related expenses primarily include fees payable to the BRLMs and legal counsel, fees payable to the Statutory Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs and CDPs, SCSBs' fees, Sponsor Banks' fees, the Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Except for (i) listing fees and expenses for any corporate advertisements consistent with past practice of our Company (not including expenses relating to marketing and advertisements undertaken in connection with the Offer), which shall be borne solely by our Company; and (ii) the applicable tax payable on transfer of Offered Shares which shall be borne by the respective Selling Shareholders, our Company and the Selling Shareholders shall share the costs and expenses (including all applicable taxes) directly attributable to the Offer (including fees and expenses of the BRLMs, legal counsel and other intermediaries, advertising and marketing expenses, printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer) in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. Our Company shall advance the cost and expenses of the Offer and our Company will be reimbursed, severally and not jointly, by each of the Selling Shareholders for their respective proportion of such costs and expenses upon successful completion of the

Offer. Such payments, expenses and taxes, to be borne by the Selling Shareholders will be deducted from the proceeds from the sale of Offered Shares, in accordance with applicable law, in proportion to its respective Offered Shares.

The estimated Offer related expenses are set out below:

Activity	Estimated expenses(1)(2)	As a percentage of the total estimated Offer expenses(1)	As a percentage of the total Offer size(1)
	(in ₹ million)	*(%)*	*(%)*
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Banks and fee payable to the Sponsor Banks for Bids made by RIBs(3)(4)(5)	[●]	[●]	[●]
Brokerage and selling commission and bidding/uploading charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs(6)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to other parties, including but not limited to Statutory Auditors, industry expert and the Chartered Engineer	[●]	[●]	[●]
Others			
(i) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees	[●]	[●]	[●]
(ii) Printing and stationery expenses	[●]	[●]	[●]
(iii) Advertising and marketing expenses	[●]	[●]	[●]
(iv) Fees payable to legal counsels	[●]	[●]	[●]
(v) Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Amounts will be finalized and incorporated in the Prospectus on determination of Offer Price*

(2) *Offer expenses include applicable taxes, where applicable. Offer expenses are estimates and are subject to change*

(3) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:*

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

(4) *No processing fees shall be payable by our Company or the Selling Shareholders to the SCSBs on the Bid cum Application Forms directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/CDPs and submitted to the SCSBs for blocking, would be as follows: ₹[●] per valid application (plus applicable taxes)*

(5) *The processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows:*

Sponsor Banks	*₹[●] per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws*

(6) *Selling commission on the portion for UPI Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

Portion for UPI Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts *of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹ 0.50 million and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Members to SCSB, a special Bid Cum Application Form with a heading / watermark, 'Syndicate ASBA' may be used by Syndicate / Sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹ 0.50 million will not be eligible for brokerage.*

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Interim use of the Net Proceeds

Our Company, in accordance with applicable law, policies established by our Board from time to time and in order to attain the Objects set out above, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described in this section, our Company may only invest the Net Proceeds 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 our Board. In accordance with Section 27 of the Companies Act, our Company confirms that, other than as specified in this section for the purposes of the Objects, it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity securities or any equity linked securities.

Appraising entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

Bridge financing facilities

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

Monitoring of utilization of funds

Our Company will appoint a credit rating agency as the monitoring agency to monitor utilization of proceeds from the Fresh Issue prior to filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee in accordance with the timelines prescribed under applicable law. Our Company will disclose the utilization of the Net Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds, which shall discuss, monitor and approve the use of the Net Proceeds along with our Board. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Red Herring Prospectus and the Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Net Proceeds shall be certified by the Statutory Auditors.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the Objects. This information will also be published on our website.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and the SEBI ICDR Regulations, our Company shall not vary the Objects, without our Company being authorized to do so by its Shareholders by way of a special resolution. 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 in accordance with the Companies Act. The notice shall simultaneously be published in the newspapers, one in English and one in Marathi, the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to the Companies Act, the Promoters and controlling Shareholders, as of the time of such proposed variation, will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the provisions of the Companies Act and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of any proceeds received pursuant to the sale of Equity Shares proposed to be sold by the Selling Shareholders in the Offer for Sale, none of our Promoters, members of the Promoter Group, Directors, KMPs, Senior Management or Group Companies will receive any portion of the Offer Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoters, members of the Promoter Group, Directors, KMPs, Senior Management or Group Companies.

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 [●] times the face value of the Equity Shares and the Cap Price is [●] 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 29, 161, 234, 312 and 318, 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:

- Largest player in the pens writing instruments segment in India;
- 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 and one of the largest exporter of writing and creative instruments in India;
- 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 29 and 161, 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 234.

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**	

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 ₹[●] to ₹[●] per Equity Share: [(1)]

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	[●]	[●]
P/E ratio based on diluted EPS for Financial Year 2023	[●]	[●]

(1) *To be updated at the price band stage.*

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

Industry P/E ratio

Particulars	P/E Ratio
Highest	50.86x
Lowest	26.19x
Average	38.53x

***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 July 12, 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**	

***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.*

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 March 31, 2023	46.90
After the completion of the Offer	[●]
- At the Floor Price	[●]
- At the Cap Price	[●]
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.*

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

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 July 12, 2023 (₹)	EPS (₹)		NAV (per share) (₹)	P/E	RoNW (%)
				Basic	Diluted			
Flair Writing Industries Limited(1)	9,426.60	5.00	[●]	12.66	12.66	46.90	[●]	31.17
Listed peers(2)								
Linc Limited	4,867.55	10.00	658.80	25.15	25.15	119.16	26.19 x	21.10
Kokuyo Camlin Limited	7,749.43	1.00	124.10	2.44	2.44	26.18	50.86 x	9.31

(1) Financial information of our Company is derived from the Restated Consolidated Financial Information as of and for the Financial Year 2023.
(2) Source: Annual report of the peer companies for the Financial Year 2023 submitted to stock exchanges.

***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 July 12, 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 this Draft 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 this Draft 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 54.

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 96, 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 324.

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.

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

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 profit after tax by average of closing Net Worth during that year and the previous year*

(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 direct cost (including cost of goods sold and other direct expenses) 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 Receivables 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:

S. 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.	Return on Capital Employed Ratio (%)	This ratio helps our Company in measuring the operating returns generated from total capital employed in the business
13.	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
14.	Trade Receivable Days	This metric represents the amount of time it takes a company to collect on its outstanding invoices
15.	Inventory Days	This metric is an efficiency ratio that measures the average number of days our Company holds its inventory before selling it
16.	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
17.	Working Capital Cycle (Days)	This metric indicates how many days it takes for our Company to convert its working capital into revenue
18.	Debt to Equity Ratio	This metric compares shareholder's equity to company debt to assess our Company's amount of leverage and financial stability
19.	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
20.	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.
21.	EPS (in ₹)	This metric represents the net profit generated per equity share and can

S. No.	Name of Metric	Description
		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 this Draft Red Herring Prospectus and a discussion of how the KPI disclosed in this Draft Red Herring Prospectus have been used by the management historically to analyze, track or monitor the operational and/or financial performance of our Company, see "*Our Business—Key Performance Indicators*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Discussion of our Key Performance Indicators*" on pages 179 and 324, respectively. The members of the Audit Committee have, by way of a resolution dated July 9, 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 this Draft 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 this Draft Red Herring Prospectus have been disclosed.

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

The following table provides a comparison of our KPI with our listed peers for the last Financial Year, 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.

S. No.	Name of Metric	As of and for the Financial Year 2023		
		Flair Writing Industries(1)(2)	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	300,000
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	1,921.60	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

(1) *As certified by the Statutory Auditors, pursuant to a certificate dated July 14, 2023.*
(2) *Based on Restated Consolidated Financial Information*

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 this Draft 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 this Draft 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), therefore, information for the last five Primary Issue or Secondary Transaction, not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is set forth below:

Primary transactions:

There has been no Primary Issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Secondary transactions:

There has been no Secondary Transaction in the three years preceding the date of this Draft Red Herring Prospectus.

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

Type of Transaction	WACA (₹)	Floor Price (₹ [●])(1)	Cap Price (₹ [●])(1)
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 this 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.	[●] times	[●] times
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 this 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.	[●] times	[●] times
Since there were no Primary Issuances or Secondary Transactions during the 18 months preceding the date of filing of this Draft 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 this Draft Red Herring Prospectus irrespective of the size of the transaction.			
Based on Primary Issuances	N.A.	[●] times	[●] times
Based on Secondary Transactions	N.A.	[●] times	[●] times

(1) *Details have been left intentionally blank as the Floor Price and Cap Price are not available as on date of this Draft Red Herring Prospectus. To be updated at Prospectus.*

E. Justification for Basis of Offer Price

1. *The following provides a detailed explanation for the Offer Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or 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 this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Financial Years 2023, 2022 and 2021.*

   [●](1)

   (1)*Note: This will be included on finalisation of Price Band*

2. *The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed above, in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any*

[●][(1)]

[(1)]Note: This will be included on finalisation of Price Band

The Offer Price of ₹ [●] is [●] times of the face value of the Equity Shares and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" on page 29 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

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

Nuvama Wealth Management Limited
(formerly known as Edelweiss Securities Limited)
801 – 804, Wing A, Building No 3,
Inspire BKC, G Block,
Bandra Kurla Complex,
Bandra East,
Mumbai – 400051,
Maharashtra, India

Axis Capital Limited
1st Floor, Axis House,
C-2 Wadia International Centre,
P.B. Marg, Worli, Mumbai – 400025
Maharashtra, India

(Nuvama Wealth Management Limited and Axis Capital Limited are collectively referred to as the "**Book Running Lead Managers**" or the "**BRLMs**")

Statement of Possible Special Direct Tax Benefits available to the Company and its shareholders under the applicable direct and indirect tax laws in India with respect to proposed initial public offering of equity shares of face value of ₹ 5 ("Equity Shares") by Flair Writing Industries Limited (the "Company") and such offering (the "Offer")

We, Jeswani & Rathore, statutory auditors to the Company, firm registration number 104202W, hereby report the special tax benefits available to the Company and its shareholders, pursuant to

(i) the Income Tax Act, 1961, as amended by the Finance Act, 2023 and read with the rules, circulars and notifications issued in relation thereto; and

(ii) applicable indirect taxation laws, as amended and read with the rules, circulars and notifications issued in connection thereto,

in the enclosed statement at **Annexure A**.

Several of these stated tax benefits/consequences are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. **Annexure A** is for your information and for inclusion in the draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together the "**Offer Documents")** with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") and subsequently the red herring prospectus and the prospectus with the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"), in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and

Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**") may be prepared in connection with the Offer 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 Offer. Neither are we suggesting nor advising the investor to invest money based on this statement. These statements do not cover any general tax benefits available to the Company and/or its shareholders and is neither designed nor intended to be a substitute for professional tax advice.

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

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with; or.
iii) the revenue authorities/courts will concur with the views expressed herein.

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

We hereby give consent to include this statement of special tax benefits in the draft red herring prospectus and in any other material used in connection with the Offer (together, the "**Offer Documents**").

The aforesaid information contained herein and in **Annexure A** may be relied upon by the Book Running Lead Managers and legal counsels appointed pursuant to the Offer and may be submitted to the stock exchanges, the SEBI, and any other regulatory or statutory authority in respect of the Offer and for the records to be maintained by the Book Running Lead Managers in connection with the Offer. We undertake to immediately inform the Book Running Lead Managers and legal counsels in case of any changes to the above until the date when the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

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.

We undertake to update you in writing of any changes in the abovementioned position, immediately upon us becoming aware, until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

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

Khubilal G. Rathore
Partner
M. No: 012807
UDIN: 23012807BGXVFR4342

Place: Mumbai
Date: July 14, 2023

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 2022-23 relevant to the Assessment Year 2023-24). 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.

A. Special tax benefits available to the Company in India under the Income-tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act 2022,

(1) Lower corporate tax rates on income of domestic companies – Section 115BAA of the Act

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option to apply this tax rate is available from FY 2019-20 relevant to AY 2020-21 and the option once exercised through filing of Form 10lC on the income tax portal shall apply to subsequent assessment years. The concessional rate of 22% is subject to the company not availing any of the following specified tax exemptions/incentives under the Act:

(i) Deduction u/s 10AA: Tax holiday available to units in a Special Economic Zone;
(ii) Deduction u/s 32(1)(iia): Additional Depreciation;
(iii) Deduction u/s 32AD: Investment allowance;
(iv) Deduction u/s Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses;
(v) Deduction u/s Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research;
(vi) Deduction u/s Section 35AD: Deduction for capital expenditure incurred on specified businesses;
(vii) Deduction u/s Section 35CCC/35CCD: expenditure on agricultural extension /skill development;
(viii) Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act. Additionally, the provisions of Section 115JB of the Act *i.e.* MAT shall not apply to the Company on exercise of the option under Section 115BAA of the Act, as specified under subsection (5A) of Section 115JB of the Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed..
The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Note: The Company opted the lower rate benefit for the financial year 2019-20 relevant to the assessment year 2020-21 as mentioned in the Section 115BAA for which declaration (Form 10IC) has already been filed with the tax authorities.

1. Deductions in respect of employment of new employees – Section 80JJAA of the IT Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act. The company is presently not claiming deduction under section 80JJAA of the IT Act. However, this deduction could be claimed in the future subject to fulfillment of the conditions discussed above.

2. Deduction with respect to inter-corporate dividends – Section 80M of the IT Act

As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2020, a domestic company shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it on or before the due date. In this case, due date means one month prior to the due date of furnishing return of income under sub section (1) of section 139 of the IT Act.

The company has a wholly owned subsidiary *viz.* Flair Writing Equipments Private Limited and thus, the company should be eligible to claim deduction u/s 80M of the IT Act in respect of dividends received (if any) from its subsidiary and further distributed to its shareholders subject to fulfillment of other conditions.

3. Deductions in respect of specified expenditure

In accordance with and subject to the fulfillment of conditions as laid out under section 35D of the IT Act, the company may be entitled to amortize preliminary expenditure, being specified expenditure incurred in connection with the issue for public subscription or such other expenditure as prescribed under section 35D of the IT Act, subject to the limit specified therein (viz maximum 5% of the cost of the project or 5% of the capital employed in the business of the company).

The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

With effect from 01 April 2024, the company shall be required to furnish a statement containing the particulars of expenditures specified u/s 35D of the Act to such income tax authority, which shall be prescribed in the due course by the CBDT.

B. Special Indirect tax benefits available to the Company

The Company is not entitled to any special tax benefits under the Act.

(2) Special tax benefits available to the shareholders under the Act

i. Dividend Income

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in the case of domestic corporate shareholder, benefit of deduction under section 80M of the IT Act would be available on fulfilling the conditions.

In case of the shareholders who are individuals, Hindu Undivided Family, Association of person, Body of Individuals whether incorporated or not and every artificial juridical person, the surcharge would be restricted to 15% irrespective of the amount of dividend.

ii. Tax on Capital Gains

As per section 112A of the IT Act, Long Term Capital Gains ('LTCG') arising from the transfer of equity shares on which Securities Transaction Tax ('STT') is paid at the time of acquisition and sale, shall be taxed at the rate of 10% (without indexation) (plus applicable surcharge and cess) of such capital gains. This is subject to fulfillment of prescribed additional conditions as per Notification No. 60/2018/F.No 370142/9/2017 dated 1 October 2018. It is worthwhile to note that tax u/s 112A of the IT Act shall only be levied where such aggregate capital gains exceed INR 1,00,000/- in a year.

Further, the Finance Act 2022 restricts surcharge to 15% in respect of LTCG arising from any capital asset.

As per section 111A of the IT Act, Short-Term Capital Gains ('STCG') arising from the transfer of equity shares on which STT has been paid at the time of sale shall be taxed at the rate of 15% (plus applicable surcharge and cess).

Notes:

1. These special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Income tax regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid 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.

3. The Statement has been prepared on the basis that the Company is in the process of getting shares of the company listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

   (i) the Company or its shareholders will continue to obtain these benefits in future;
   (ii) the conditions prescribed for availing the benefits have been/ would be met with; and
   (iii) the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. 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 or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the industry and market related information in this section has been derived from a report titled "An assessment of writing and creative instruments industry and steel bottle industry in India" dated June 2023 prepared by CRISIL (the "**CRISIL Report**"). We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer for an agreed fee. We engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated April 14, 2023. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer) that has been left out or changed in any manner. A copy of the CRISIL Report shall be available on the website of our Company at www.flairworld.in/investor-relation.html. Unless otherwise indicated, 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.*

Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. See "Certain Conventions, Presentation of Financial, Industry and Market Data—Industry and Market Data" on page 25. Also see "Risk Factors—Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by us exclusively in connection with the Offer" on page 53.

MACROECONOMIC ASSESSMENT

India's macroeconomic assessment

India's GDP logged a 5.7% CAGR over Financial Years 2012 to 2023. As per the National Statistics Office's provisional estimates released in May, India's GDP has grown 7.2% in Financial Year 2023 which comes on top of 9.1% expansion in Financial Year 2022, suggesting strong growth momentum, propelled by domestic demand through the year, both from investment and private consumption. Investment's share rose to an 11-year high of 34% of GDP, while that of private consumption rose to an 18-year high of 58.5% in Financial Year 2023.

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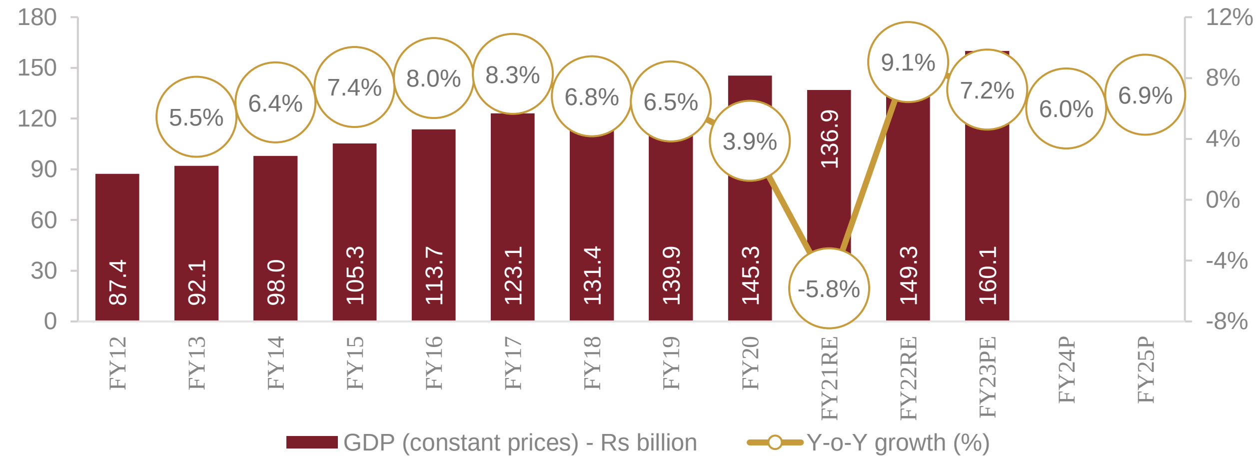
Real GDP growth in India (new series) – constant prices



Notes:
(1) *PE: Provisional estimates; RE: Revised estimates; P: Projected*
(2) *The above-mentioned values are reported by Government under various stage of estimates.*
(3) *Only actual and estimates of GDP are provided in the bar graph above*
Source: Provisional estimates of national income 2022-23 and quarterly estimates of gross domestic product for the fourth quarter (Q4) of 2022-23, Central Statistics Office (CSO), MoSPI, CRISIL MI&A

India saw robust growth in per capita income over Financial Years 2012 to 2023

India’s per capita net national income (“**NNI**”), a broad indicator of living standards, has grown at a 4.1% CAGR between Financial Years 2012 to 2023 with growth was led by better job opportunities, propped up by overall GDP growth.

India’s gross disposable income has more than doubled over the past decade

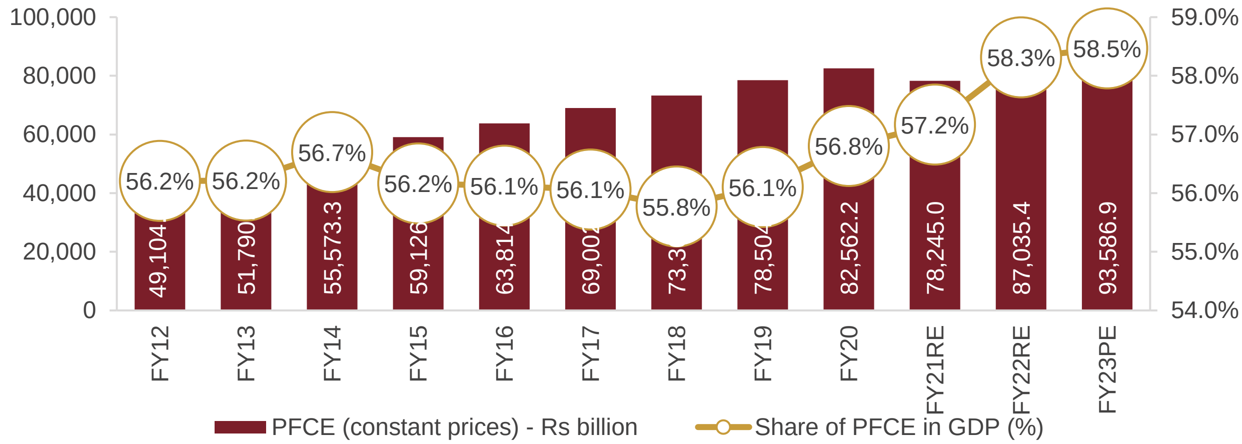
At current prices, India’s gross disposable income more than doubled over Financial Years 2012 to 2023, reaching ₹ 273,365 billion in Financial Year 2023. During this period, gross national disposable income (“**GNDI**”) logged a CAGR of 10.7%.

Review of private final consumption expenditure (“PFCE”)

PFCE to maintain dominant share in India’s GDP

PFCE at constant prices clocked 6.0% CAGR between Financial Years 2012 and 2023, driven by good monsoons, wage revisions as per pay commission’s recommendations, benign interest rates and low inflation.

PFCE (at constant prices)

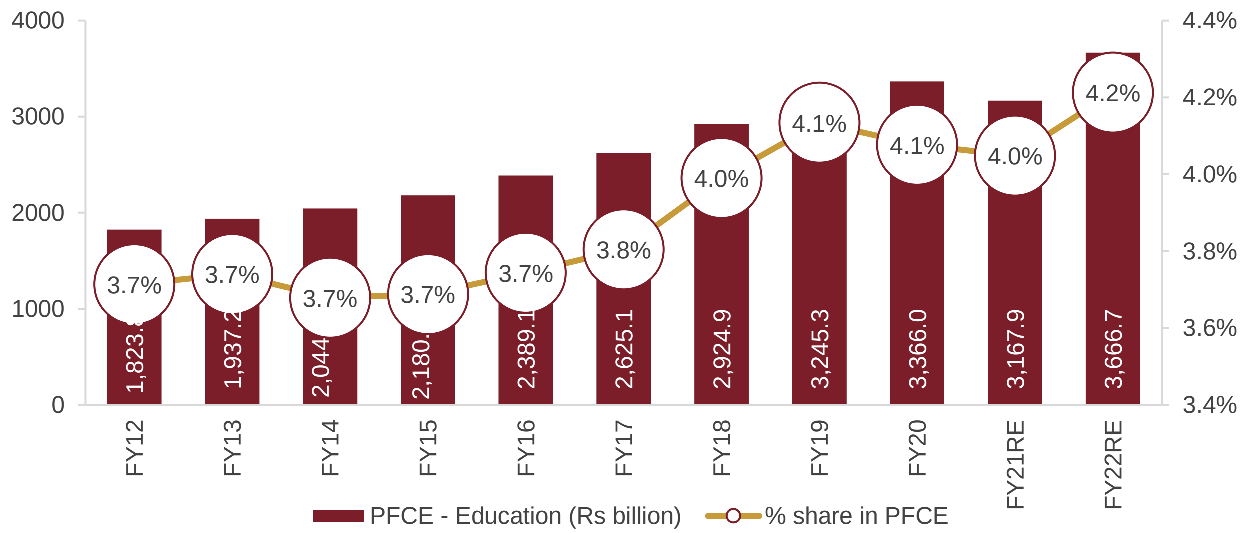


Note:
PE: Provisional estimates; RE: Revised estimates; AE: Advance estimates
Source: MoSPI, CRISIL MI&A

Share of education in overall PFCE has been increasing over years

At constant prices, the share of education segment in PFCE has growth from 3.7% in Financial Year 2012 to 4.2% in Financial Year 2022. During the same period, in value terms, private final consumption in the education segment has grown at a CAGR of 7.2% to approximately ₹ 3,667 billion by Financial Year 2022.

PFCE – education (constant prices)



Note:
PE: Provisional estimates; RE: Revised estimates; AE: Advance estimates
Source: MoSPI, CRISIL MI&A

National Education Policy

In July 2020, the government has introduced the National Educational Policy ("**NEP**") to bring various changes in the Indian education system. It proposes reforms in school education and higher education, including technical education.

The major aim of NEP 2020 is to increase the gross enrolment ratio ("**GER**"), which compares the enrolment in a specific level of education to the population of the age-group which is most age-appropriate for that level of education, at both the K-12 level and in higher education.

It targets to reach a 100% GER by 2030 for preschool to the secondary level, whereas in higher education including vocational education it targets reaching 50% by 2035.

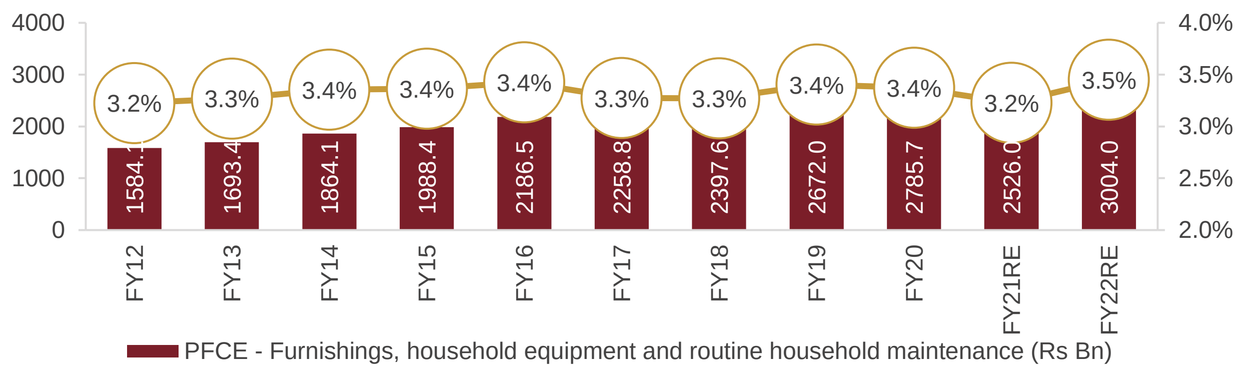
Further, the policy also aims to increase public investment in education to 6% of GDP (approximately 2.5% as of Financial Year 2024 budgetary estimates)

In addition to this, budgetary spending on education by the government of India has seen a growth. During Financial Year 2018 to 2024BE the education budget has grown at a CAGR of 5.9%.

Private final consumption in furnishings, household equipment and routine household maintenance segment grew at 6.6% CAGR between Financial Year 2012 and 2022

At constant prices, the share of furnishings, household equipment and routine household maintenance segment in PFCE between Financial Years 2012 and 2022 has been rangebound between 3.2% and 3.5%. During the same period, in value terms, private final consumption in the segment has grown at a CAGR of 6.6% reaching approximately ₹ 3,004 billion by Financial Year 2022. The segments PFCE has seen a growth inline with overall PFCE which has grown at 6.0% during the same period.

PFCE – furnishings, household equipment and routine household maintenance (constant prices)



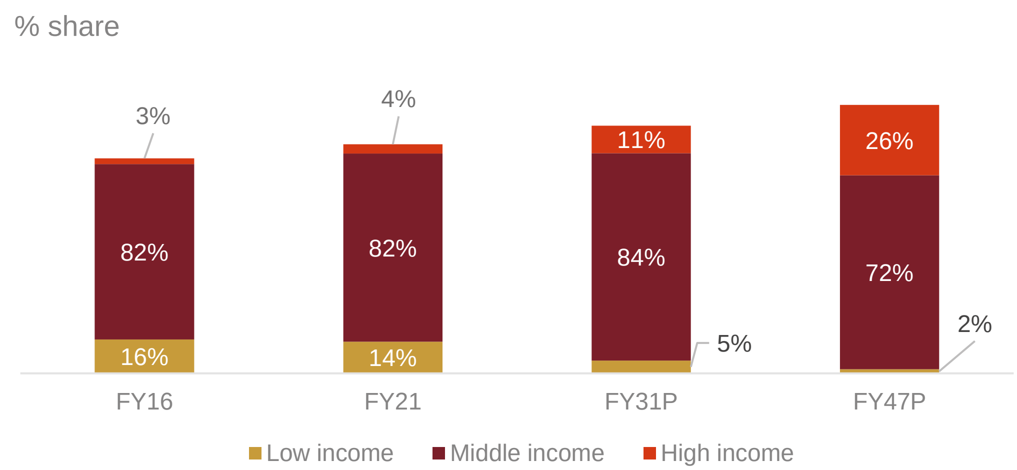
Note:
PE: Provisional estimates; RE: Revised estimates; AE: Advance estimates
Source: MoSPI, CRISIL MI&A

Fundamental growth drivers for consumption in India

Decline in poverty levels indicates rise in middle- and high-income population in India

The decline in poor population indicates that growth in middle- and high-income groups in India, which seen an increase in share from approximately 85% in Financial Year 2016 to approximately 86% in Financial Year 2021, and are expected to reach approximately 95% by Financial Year 2031. The middle-income group formed approximately 82% of total population in Financial Year 2021. A positive economic outlook and growth across key employment-generating sectors (such as real estate, infrastructure and automotive) are expected to have a cascading effect on the overall per capita income of the population in the medium-to-long term. This, in turn, is expected to drive consumption expenditure and discretionary spending.

Broad split of population into income groups

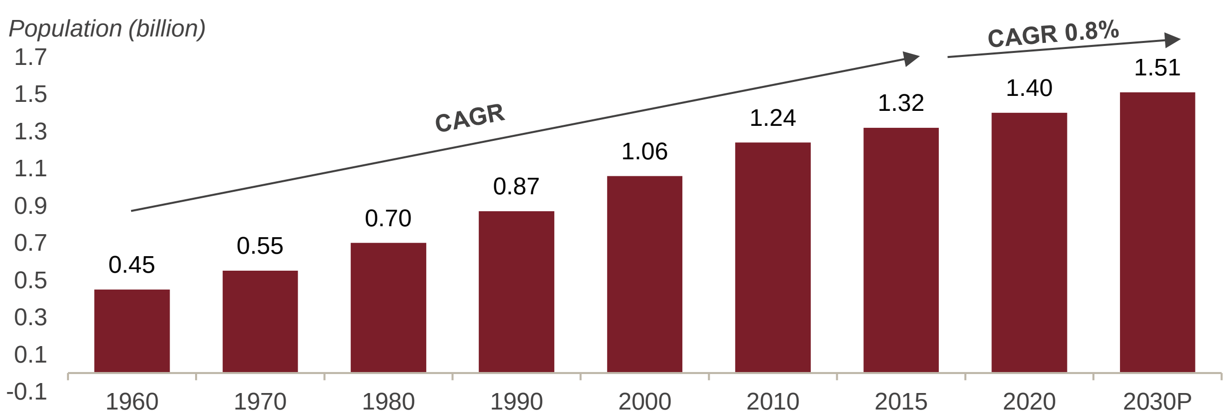


Notes:
E: Estimated; P: Projected
Low-income group: Defined as set of people earning less than ₹ 125 thousand per annum
Middle-income group: Defined as set of people earning between ₹ 125 thousand to ₹ 3 million
High-income group: Defined as set of people earning more than ₹ 3 million
Source: People Research on India's Consumer Economy (PRICE) survey of ICE 3600, CRISIL MI&A

India's population is projected to grow at a 0.8% CAGR between 2020 and 2030

According to the United Nation's ("**UN**") World Urbanization Prospects, 2022 revision, India and China – two of the most populous countries – accounted for nearly 36% of the world's population in 2021. As per United Nations Population Fund's ("**UNFPA**"), "State of World Population Report" of 2023, India's population by mid-year of 2023 is estimated to surpass China by around approximately 2.9 million.

India's population growth

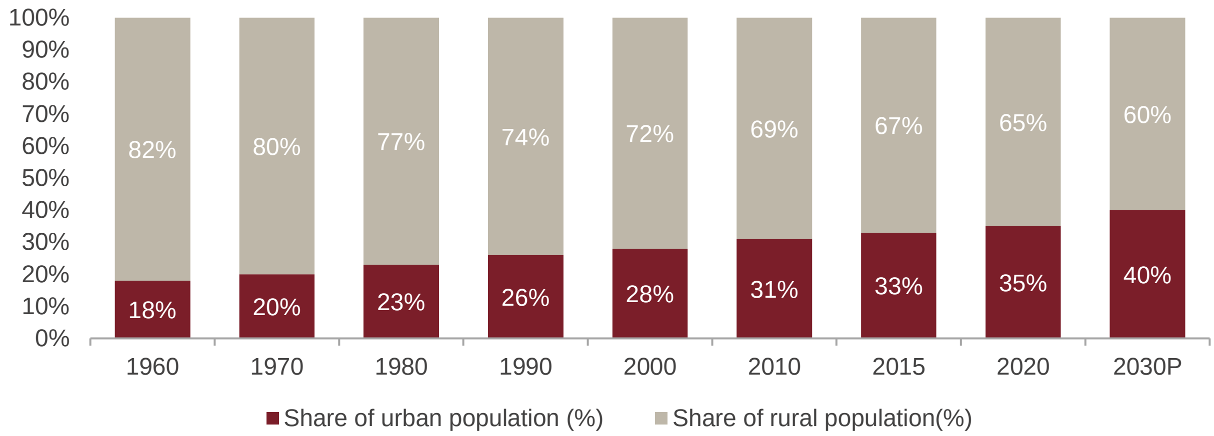


Note:
P: Projected
Source: UN Department of Economic and Social Affairs, World Population Prospects 2022, CRISIL MI&A

Urbanisation likely to reach 40% by 2030

India's urban population has been rising over years and is expected to continue with the rise in economic growth. From approximately 31% of the total population in 2010, it is projected to rise to nearly 40% by 2030, according to a UN report on urbanisation.

India's urban vs rural population



Note:
P: projected
Source: World Urbanization Prospects: The 2018 Revision, UN, CRISIL MI&A

People from rural areas move to cities for better job opportunities, education, and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the other members continue to live in their rural homes.

India's youth to account for approximately 39% of its population by 2030

As per the UN's 2022 Revision of World Population Prospects, India's youth (0-24 years) accounted for nearly half its population in 2020, significantly higher than that for some of its peers (Brazil at 36.4%, China at 29.4% and the Russian Federation at 27.5%). The fact that 26% of the population is aged below 15 indicates that a high proportion of the country's young population is expected to remain so in the coming years.

Indian population's median age to be 30.9 years by 2030

According to the UN, the global median age rose to approximately 30 years in 2020 from approximately 20 years in 1970. This is lower than the median age in developed countries such as the US (37.5 years) and the UK (39.5 years). Interestingly, India's median age is 27.3 years, indicating a favourable demographic dividend. Furthermore, it is the lowest among its BRIC peers: Brazil (32.4 years), Russia (37.4 years) and China (38.6 years).

OVERVIEW OF INDIAN WRITING AND CREATIVE INSTRUMENTS INDUSTRY

Writing and creative instruments industry

The writing and creative instruments segment comprises of writing equipment such as pens, pencils, markers and highlighters; and art and hobby equipment such as crayons, sketch pens, colour pencils, brushes, and accessories such as erasers, sharpeners. Among the writing and creative instruments industry pens account for a major share.

In-house manufacturing preferred in Indian writing and creative instruments industry

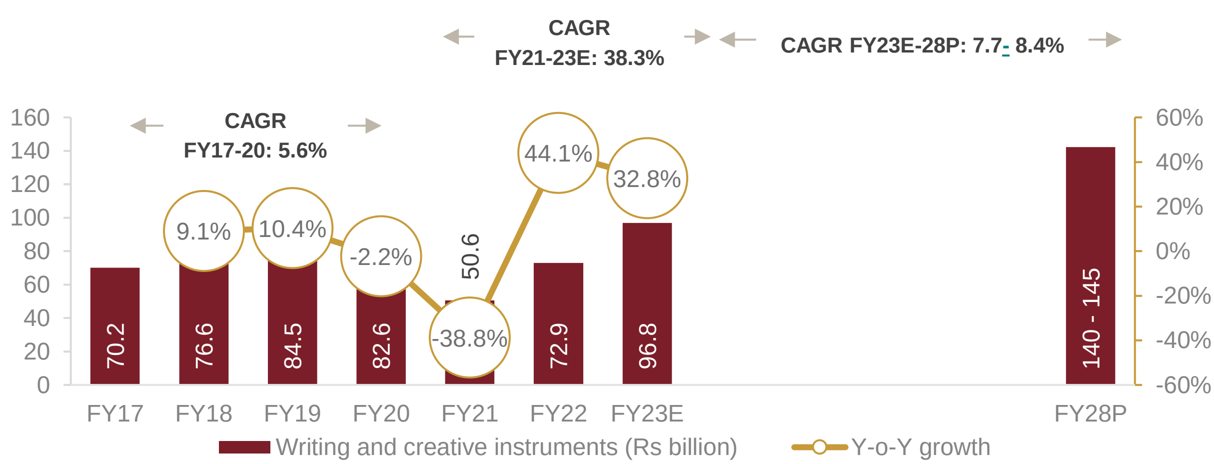
The manufacturing landscape of Indian writing and creative instruments industry is broadly divided into two major categories of players: those with in-house manufacturing capabilities and those that rely on imports. Players with in-house manufacturing capabilities can produce products at a lower cost, in addition to having the flexibility to innovate and develop products that satisfy changing consumer preferences. In addition to this, there are international brands that partner with Indian entities to leverage their in-house manufacturing facilities providing them a cost-effective way to expand their presence in the domestic market without the need to set up their own manufacturing facilities.

Indian writing and creative instruments industry saw steady growth before the pandemic, surpassed pre-pandemic levels in Financial Year 2023

The writing and creative instruments industry in India has experienced consistent growth between Financial Years 2018 to 2020, driven by product innovation, design modifications, brand development by leading players, and high demand. The industry has witnessed a shift in its structure, with large organised players gaining market share over unorganised, smaller players. Large, organised players have been able to grow faster than the industry average by diversifying their product portfolios and expanding distribution channels. However, in Financial Year 2021 due to the Covid-19 pandemic there was closure of schools and institutions resulting in a subdued demand for products, leading to a 39% decline in Financial Year 2021. As offices reopened and schools restarted, the industry started witnessing a pick-up in demand in Financial Year 2022, with industry surpassing pre-pandemic levels, in Financial Years 2023. Overall, the industry expanded at a CAGR of 38.3% between Financial Years 2021 and 2023.

Over Financial Years 2018 to 23, the writing and creative instruments industry experienced price growth across various segments. However, the extent of price increases varied among these segments. Notably, pens demonstrated the highest growth in prices, closely followed by the art and hobby and marker segments.

Indian writing and creative instruments industry, by manufacturer's realisation



Note:
E: Estimated; P: Projected
Source: CRISIL MI&A

Writing and creative instruments industry at manufacturer's realisation and at maximum retail price (MRP)

Rs in billion	FY17	FY18	FY19	FY20	FY21	FY22	FY23E		FY28P
Manufacturer's Realisation	70.2	76.6	84.5	82.6	50.6	72.9	96.8		140 -145
MRP	100.4	109.6	121.0	118.2	72.4	104.4	138.3		200 -205

Note:
MRP level values are calculated based on typical markups obtained through industry interactions
E: Estimated; P: Projected
Source: CRISIL MI&A

Indian writing and creative instruments industry to grow at 7.7 – 8.4% CAGR over Financial Years 2023 – 28

The rising focus on education, which is also reflected in the rising literacy rate for the country, coupled with the rising trend of parallel education in recent years, characterised by the emergence of coaching classes, training programmes, etc. is expected to provide impetus to the industry. Apart from this, with the return to offices, demand from the office-going population is also expected to contribute to the growth of the industry going forward.

Further introduction of NEP by government of India focusing on education penetration in the country and the skill development programs by government for Medium, Small and Micro Enterprises ("**MSMEs**") coupled with growth in the sector aiding in addition of workforce would further bolster the writing and creative instruments industry.

Organised players dominate Indian writing and creative instruments industry

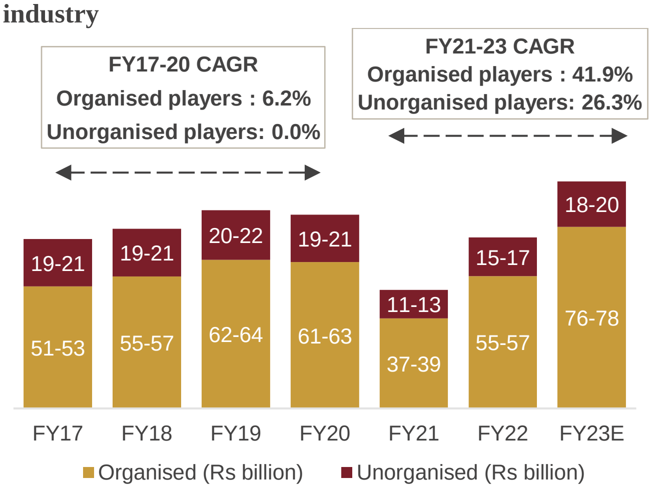
The Indian writing and creative instruments industry has many small, unorganised players, as well as organised players. The smaller players typically offer low-value products and operate in specific geographies. Organised players, on the other hand, have wider product portfolios, a pan-India presence and multiple manufacturing facilities. Organised players are also engaged in exports.

The pandemic has brought a behavioural shift among the end-users of the industry - there has been increased focus on extracurricular activities in addition to conventional education presenting an opportunity for organised players to introduce different products with standalone and bundled offerings, supporting their recovery and growth post Covid-19.

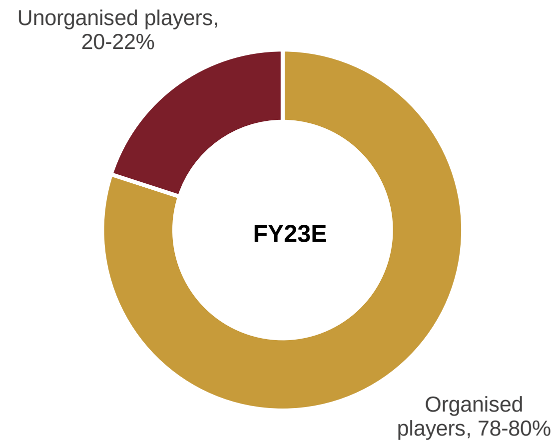
Further, there was closure of numerous unorganised players during pandemic as weak demand for products and limited access to capital made it difficult for these players to sustain operations leading to organised players capturing a majority of the market. Additionally, organised players registered healthy growth and surpassed pre-pandemic revenue levels in Financial Year 2023, while unorganised players' revenues are still below pre-pandemic levels. Within the organised segment, a few players posted strong revenue growth of approximately 50 to 60% on-year in Financial Year 2023, driving growth of the overall industry.

Share of organised players in Indian writing and creative instruments industry, by manufacturer's realisation

Trend among organised and unorganised players in industry



Share of organised players in Financial Year 2023



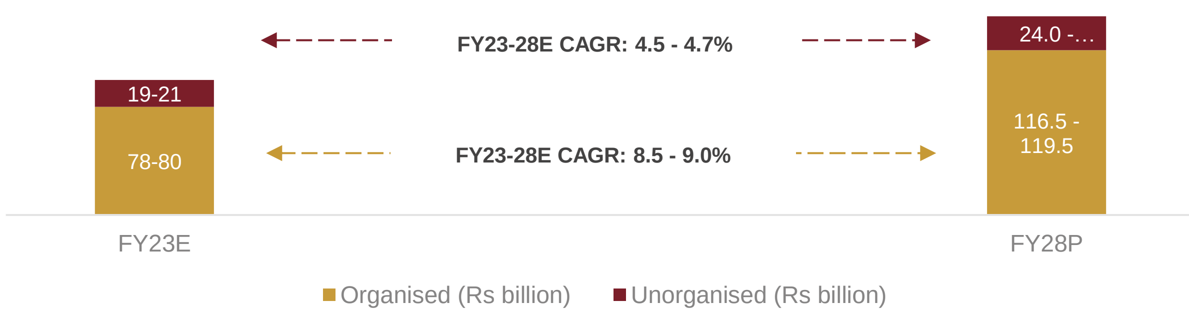
Note:
E: Estimated
Source: CRISIL MI&A

Organised segment to log 8.5 to 9.0% CAGR between Financial Years 2023 and 2028

In the writing and creative instruments industry, over Financial Years 2023 to 2028, organised players are poised to experience significant faster growth when compared to unorganised players.

The higher growth rate among organised players could be attributed to organised players gaining market share from the unorganised sector during the pandemic, and this trend is expected to continue in the coming years. Secondly, the expansion of product offerings by organised players across various categories and age groups is expected to aid their growth.

Share of organised vs unorganised players in Indian writing and creative instruments industry



Note:
E: Estimated; P: Projected
Source: CRISIL MI&A

Key seven organised players are major growth drivers for overall organised segment

Among organised players, the key seven organised players in the writing and creative instrument industry have grown faster than the rest of the organised players. These key seven organised players include – BIC Cello (India) Pvt Ltd, Flair Writing Industries Ltd, Hindustan Pencils Pvt Ltd, Kokuyo Camlin Ltd, Linc Ltd, Luxor Writing Instruments Pvt Ltd, and DOMS Industries Pvt Ltd – in no specific order. Between Financial Years 2017 and Financial Year 2020, these key seven organised players clocked a higher growth when compared to the rest of organised players as well as the overall industry. As of Financial Year 2023, Flair writing instruments Limited, occupies a market share of ~9% in the overall writing and creative instruments industry in India. The overall organised segment recorded a CAGR of 6.2% over this period.

Though in Financial Year 2020, pandemic has impacted the overall industry, post-pandemic between Financial Years 2021 to 2023, the key seven organised players played a pivotal role in driving industry growth. This growth of key organised seven players can be attributed to venturing into new price segments in the existing category of products.

Going forward, the key seven organised players are expected to continue the growth momentum at a similar pace, with the writing and creative instrument industry growing at CAGR of 7.7 to 8.4% between Financial Years 2023 and 2028, driven by factors such as a rise in literacy rates and government initiatives towards education.

Growth of key seven players in organised writing and creative instrument industry

	FY17-20 CAGR	FY21-23E CAGR	FY17-23E CAGR
Key 7 organized players	8.6%	52.7%	8.7%
Remaining organized players	2.6%	26.5%	3.9%
Overall organized segment	6.2%	41.9%	6.9%
Overall unorganized segment	0.0%	26.3%	(0.7)%
Overall writing and creative instruments industry	5.6%	38.3%	5.5%

Note:
E – Estimated as per industry interactions
Source: CRISIL MI&A

Overview of pen segment

Pens are among the most used tools for writing on paper. The Indian pen industry is characterised by offerings across different price points and different value propositions. As of Financial Year 2023, pens occupy a larger share of 44% in the writing and creative instruments industry in value terms.

Broadly, the pen segment can be classified into three major sub-segments, based on product price point. Typically, pens priced up to ₹ 15 are referred to as mass-market pens, and pens priced between ₹ 16 to 100 are referred as mid-premium pens while the pens above ₹ 100 are classified as high-value pens/ premium pens. Mainly driven by students, the mass-market sub-segment is highly competitive with price denominations also playing a crucial role in saleability. Meanwhile, in the case of mid-premium / premium pens, brand creation and product differentiation are key to success.

Players often invent new products to ensure that variations are introduced in their price ranges. Also, many brands offer bundled packs of five pieces and above, which helps them in pricing units at odd multiples.

In addition to the domestic market, which continues to support growth of the pen segment, exports also make this segment lucrative for leading players.

Qualitative overview of pen segment

Mass-market pens

- Driven by volume
- 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

Premium pens

- Driven by prices
- Premium is built on product branding
- Brand leverage is high
- Focus group: professionals, corporate gifting

Source: Industry, CRISIL MI&A

Qualitative overview of key users

Students

- Driven by volume
- Price points are crucial

Corporates

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

Others like artists

- Driven by product mix
- Driven by usability

Source: Industry, CRISIL MI&A

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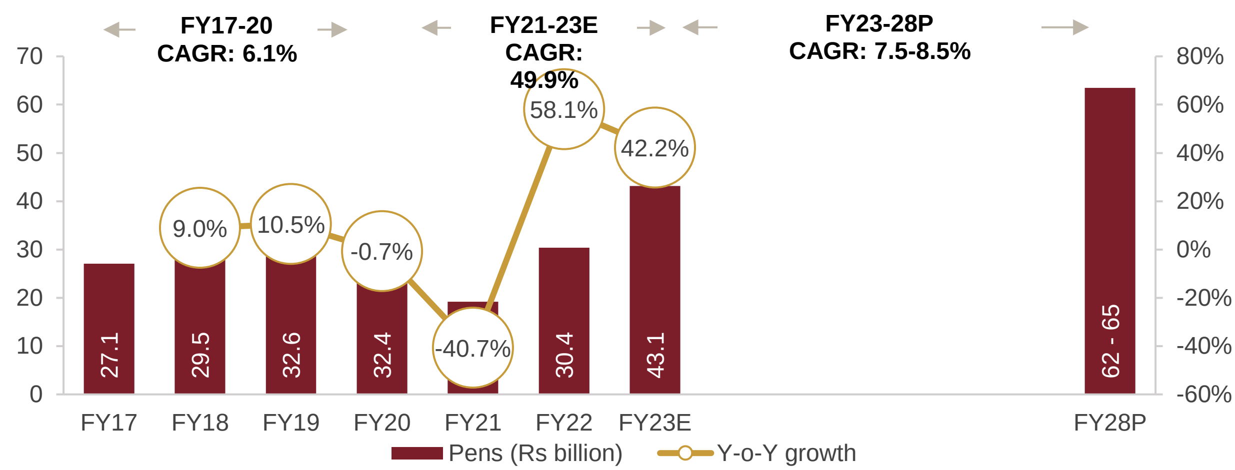
Pen segment in India at manufacturers realisation



Note:
E – Estimated, P – Projected
Source: CRISIL MI&A

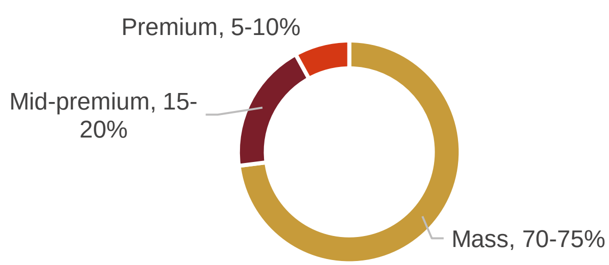
Pen segment in India expected to grow at 7.5 to 8.5% CAGR between Financial Years 2023 and 2028

Following recovery from pandemic-related stress, the pen segment is projected to clock 7.5 to 8.5% CAGR between Financial Years 2023 and 2028.This growth will be driven by factors such as increasing disposable income leading to preference for premium pens, rising literacy rates, government initiatives to improve education penetration, and a growing young population in India. Furthermore, the shifting preference towards pens as a writing instrument over pencils is also contributing to the growth in the industry. It is also to be noted that the perceived magnitude of the threat posed by digital education has subdued than initially anticipated during the pandemic with prominent online education platforms shifting towards establishing physical coaching centres, indicating unlikely displacement of offline education.

Mass-market products held a lion's share in overall pen segment in Financial Year 2023

As of Financial Year 2023, the mass-market subsegment, which is priced between ₹5 and ₹15, occupied a larger share in the overall pen segment followed by the mid-premium subsegment, which is priced between ₹16 and ₹100. The premium subsegment, which is priced above ₹100 – considered as a high value category.

Split of pen segment across price points last Financial Year (Value terms)



Note:
E – Estimated
Source: CRISIL MI&A

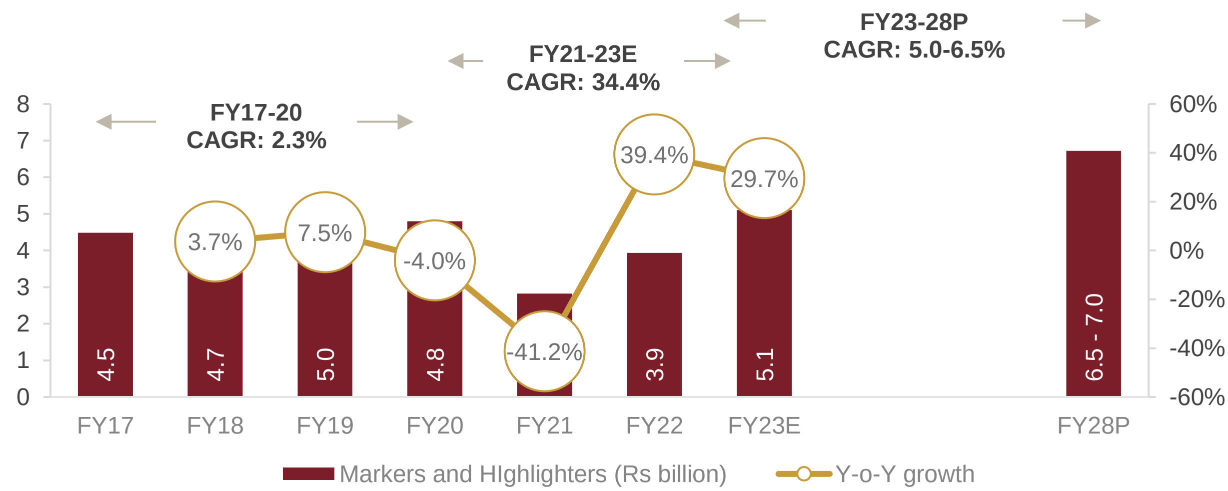
Overview of pencil segment

Pencil continues to be a core writing instrument until 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 a range of products based on different graphite grading scales and end-user applications.

Overview of marker and highlighter segment

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 a 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.

Marker and highlighter segment in India at manufacturers realisation



Note:
E – Estimated, P – Projected
Source: CRISIL MI&A

Marker and highlighter segment expected to log 5.0 to 6.5% CAGR between Financial Years 2023 and 2028

After recovering from pandemic-related stress, the Indian marker and highlighter industry is expected to log 5.0 to 6.5% CAGR between Financial Years 2023 and 2028. This growth will be driven by the rising number of bibliophiles amid the pandemic, as well as the increasing penetration of education. Additionally, young individuals entering the workforce will further contribute to demand in this segment.

Overview of art and hobby instrument segment

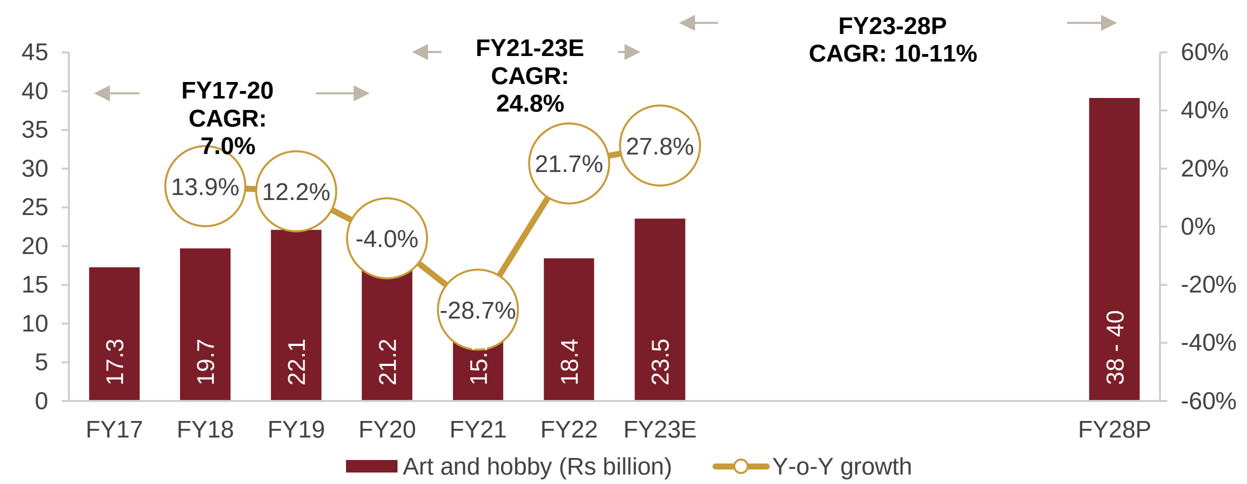
The Indian art stationery market is a dynamic industry that caters to the needs of art enthusiasts, hobbyists, students and professionals. It encompasses a wide range of creative and functional products. These products include drawing colour pencils, paints, brushes, crayons, dough, and clay. Art and hobby products are majorly used in schools and at home.

Art and hobby segment in India grew at a stable pace from Financial Year 2017 to Financial Year 2020

The art and hobby segment saw stable growth in the recent past, with the industry growing from ₹ 17 billion in Financial Year 2017 to approximately ₹ 24 billion in Financial Year 2023. Industry demand declined in Financial

Year 2021 on account of pandemic-related stress — demand for such products was impacted as it is majorly supported by school-going students. The art and hobby segment, however, has experienced significant growth post-pandemic. In Financial Years 2022 and 2023, the segment grew approximately 22% and approximately 28%, respectively. This growth can be attributed to the adoption of art as a hobby during the pandemic, as people had more spare time and sought such activities.

Art and hobby segment in India at manufacturers realisation



Note:
E – Estimated, P – Projected
Source: CRISIL MI&A

Art and hobby segment in India expected to clock 10 to 11% CAGR between Financial Years 2023 and 2028

The pandemic caused a behavioural shift in end-consumers of this segment, as more people started to take up arts and hobbies in their spare time. Industry players captured this opportunity by introducing products catering to young adults as well as people from the working class. Considering these factors, along with improved standard of living, expansion of schools, increased emphasis on extracurricular activities, government initiatives to enhance education quality, and shifting preference of students towards arts, would aid the growth in the segment.

Overview of accessories segment

The accessories segment comprises instruments such as erasers, sharpeners, scales, and technical instruments such as dividers, compasses, protractors, etc and doesn't include products such as adhesives, calculators. In general, these instruments are used in conjunction with the instruments mentioned in the segments above, such as pens, pencils, markers, and art and hobby.

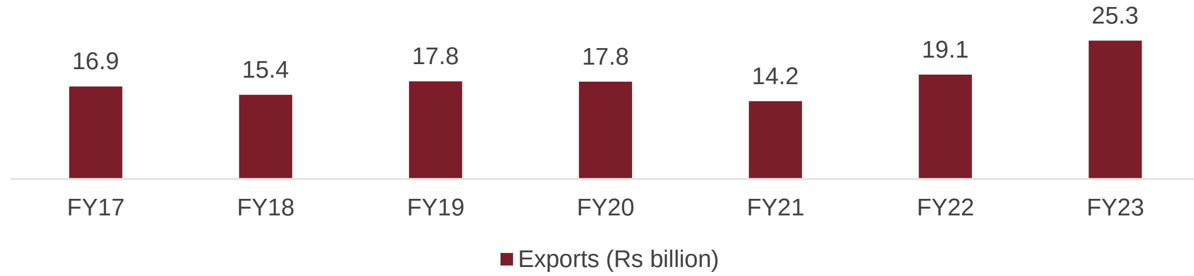
Accessories segment to grow at 6.5 – to 8.5% CAGR from Financial Year 2023 to Financial Year 2028 after post-pandemic recovery

These accessories serve as complementary tools, enhancing the functionality and experience of the primary instruments. Consequently, the demand for this segment is predominantly linked to the growth of other writing and creative instruments.

Pens contributed to 65 to 75% of the exports (value terms) during Financial Year 2018 to 2023

From Financial Year 2018 to Financial Year 2023, India exported writing and creative instruments worth approximately 4 18 billion per year on average, growing at approximately 9% CAGR. Of these, pens contributed 65 to 75% in value terms.

Export of writing and creative instruments from India (value terms)



Note:

Data compiled based on series of HS (harmonised commodity description and coding system) codes which include 960810, 960830, 960850, 960860, 960891, 960899, 960840, 96091000, 960820, 32131000, 90172010, 96033010, 40169200, and 82141010

Source: Ministry of Commerce, CRISIL MI&A

Export of writing and creative instruments

FY23	Total India exports	Flair Writing Industries Ltd	Share (%)
Exports (Rs Bn)	25.3	1.8	7.1%

Note:

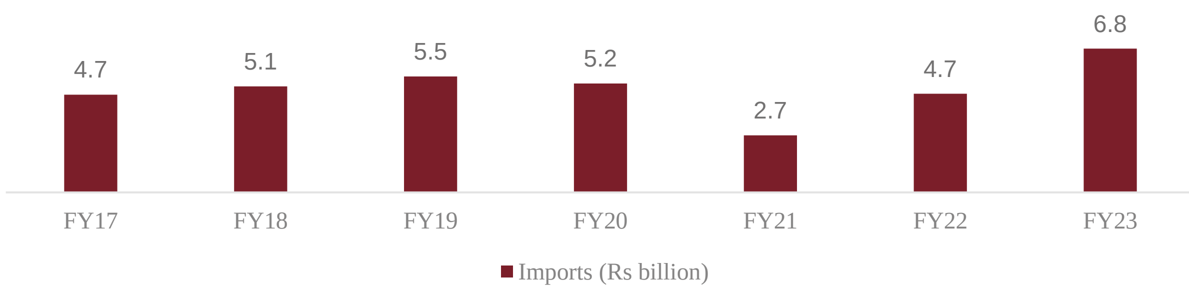
Data compiled based on series of HS (harmonised commodity description and coding system) codes which include 960810, 960830, 960850, 960860, 960891, 960899, 960840, 96091000, 960820, 32131000, 90172010, 96033010, 40169200, and 82141010

Source: Ministry of Commerce, CRISIL MI&A

India's imports of writing and creative instruments grew at approximately 6% from Financial Year 2018 to Financial Year 2023

From Financial Year 2018 to Financial Year 2023, India imported pens and pencils worth approximately ₹5 billion per year on average, growing at 6% CAGR in value terms. Of these imports, pens contributed 75 to 85% in value terms.

Import of writing and creative instruments from India (value terms)



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Source: Ministry of Commerce, CRISIL MI&A

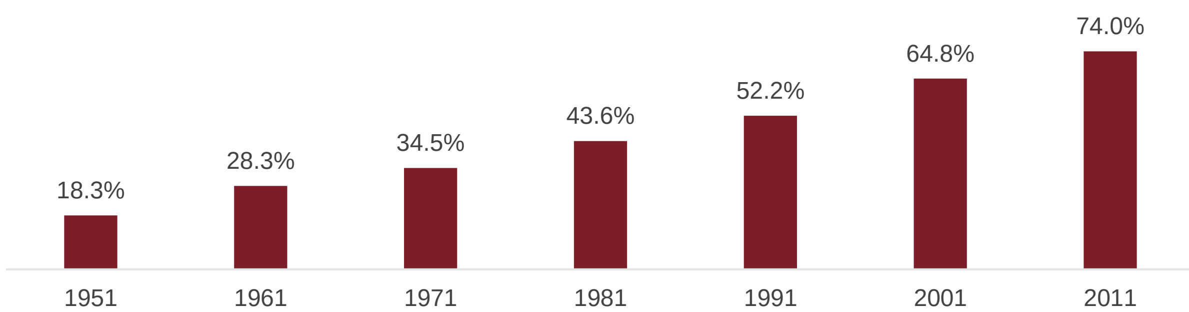
Government initiatives to boost education

Rising literacy levels

The government has taken various measures to improve literacy, such as the Right to Education Act, 2009 ("**RTE**"), Sarva Siksha Abhiyan ("**SSA"**), and mid-day meal scheme. These have resulted in the share of literates rising to 74% in 2011 from 65% in 2001, a growth of 14% on-year.

In addition, over the past few decades, the GER has been improving across the K-12 segment due to the government's efforts to spread elementary education.

Growth in literacy in India

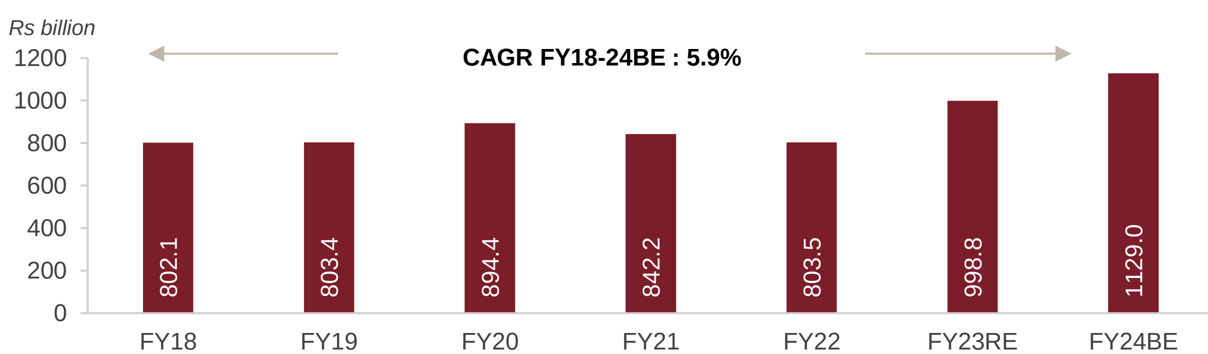


Note:
According to Indian Census, literacy rate is computed for population of age 7 and above
Source: 2011 Census documents, CRISIL MI&A

Increasing spend by government on education

In addition to various initiatives, government has increased budgetary allocation towards education over the years. From Financial Year 2018 to Financial Year 2023, (budgetary estimates), allocation on education (school education and higher education) has been increased at 5.9% CAGR.

Budgetary allocation for education in India



Source: Budget documents, CRISIL MI&A

NEP to aid demand growth

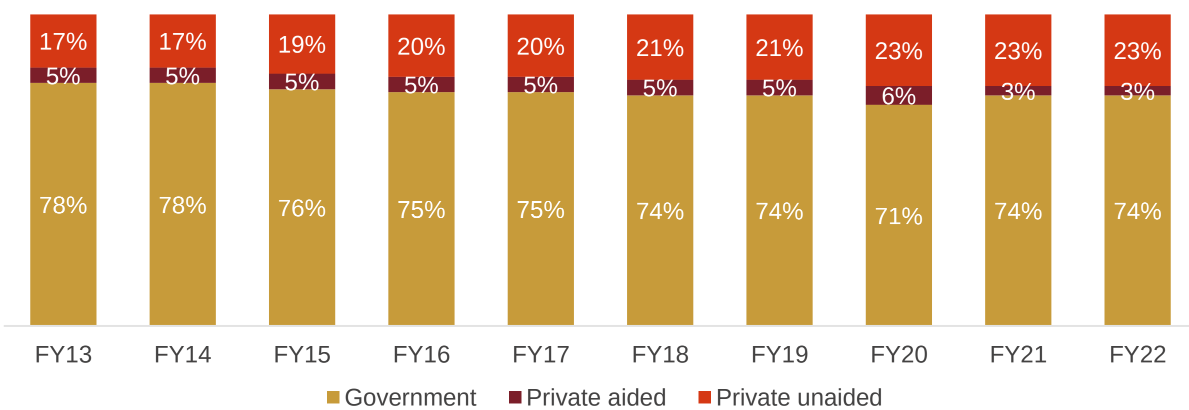
The government has also introduced the NEP in July 2020. This policy was introduced to bring various changes in the Indian education system, and proposes reforms in school education and higher education, including technical education.

NEP 2020 aims to increase the GER, which compares the enrolment in a specific level of education to the population of the age-group which is most age-appropriate for that level of education, at both the K-12 level and in higher education. At preschool to the secondary level, the NEP targets to reach a 100% GER by 2030 while in including vocational education it targets reaching 50% by 2035.

Increasing share of private schools

For education till class X, the average spend per student in private schools (private unaided) is 7-8 times that in public schools and 1-2 times that in private aided schools, as per the National Sample Survey Organisation (NSSO) 75th round of survey.

Trends in composition of schools by management



Source: DISE, CRISIL MI&A

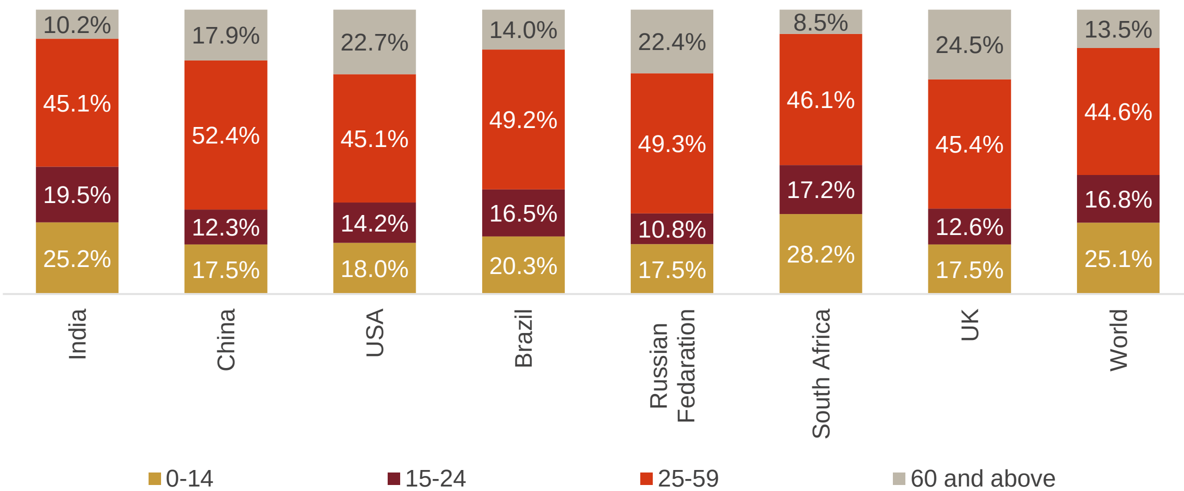
Books and stationery spendings form the second-highest expenditure item under the general and technical educational course (course fee forms the largest share). With increasing share of private unaided schools in overall K12 enrolment, spending on education is likely to grow rapidly. This would directly lead to an increase in demand for writing and creative instruments.

High share of youth population in India

Age constitutes the determining characteristic in definition of 'youth' by various agencies. United Nations defines youth as those in age group 15 to 24. A higher share of the youth population represents higher potential for educational institutes and, in turn, greater potential for the writing and creative instruments industry. Formal education emphasises use of pencils and notebooks for 5 to 10 years' age group. Typically, pens, other writing instruments and technical instruments are introduced to the 11 years and above age group (generally in class V and above).

It should be noted that the closure of schools and colleges during the pandemic led to a transition towards digital education. However, after the pandemic, the expected magnitude of this shift was not as anticipated with establishment of offline institutes by online education providers. Moving ahead, it is essential to monitor the impact of digital education on the writing and creative instruments industry.

Share of population across age population for various countries



Source: CRISIL MI&A

Growth in Indian MSME sector workforce

The micro, small and medium enterprises (MSMEs) segment form an integral part of the Indian economy. Despite pandemic-induced challenges, most MSMEs sectors are recovering. This is evident from the 21% revenue growth in Financial Year 2022 driven by healthy exports, higher commodity prices and increased healthcare demand due to pandemic.

The government introduced various reforms to support MSMEs during the pandemic. These included initiatives such as Credit Guarantee Scheme for Subordinate Debt ("**CGSSD**"), Emergency Credit Line Guaranteed Scheme ("**ECLGS**") and equity infusion for MSMEs through self reliant India fund.

In Financial Year 2023, the MSMEs sector is estimated to grow 11 to 13% followed by 7 to 9% in Financial Year 2024, building upon a high base aided by healthcare, consumption and construction-linked sectors.

As per the National Sample Survey ("**NSS**") 73rd round conducted during 2015 to 16, the MSMEs sector has been creating 111 million jobs across sectors in both rural and urban areas. With ongoing growth in the sector and the skill development initiatives undertaken by the government, the availability of skilled labour within the MSMEs eco-system is expected to improve.

This addition of employment in MSMEs sectors would aid the demand for writing and creative instruments since they play an essential role in the day-to-day activities of the workforce, such as documentation.

Shift in consumer trends towards premiumisation

Over the years, premiumisation in writing and creative instruments industry has emerged as a growth driver. The shift towards premium products (which includes both the mid-premium and premium category) is driven by the need for better quality, longevity, and improved experience. In addition, is the increase in disposable income over the years. The GNDI, which is a measure of disposable income in India, has grown at 10.7% CAGR from Financial Year 2012 to Financial Year 2023, measured at current prices. This allows consumers to invest in premium products which provide superior performance and better durability.

Key factors for success in the writing and creative instruments industry

Product innovation

Product innovation has become a major success driver in the writing and creative instruments industry.

The success of innovations in these writing instruments lies in their adaptability to changing consumer preferences, meeting their need for comfort, quality, and sustainability.

Creating a brand for product differentiation

The pens industry in the domestic market holds 70% to 75% share with leading players emphasising brand building, the industry is expected to garner a bigger share in coming years. Leading players focus on brand building to expand their market share, utilizing vintage appeal, innovation, retailer networks, and technological advancements. While most brands are present across price segments (mass market, mid premium and premium), expansion within each segment has become crucial to tap demand at different price points. Major players differentiate their products through communication, and endorsements, and increasing availability of branded products in smaller cities and towns, and rural areas, has increased the penetration of major players into these untapped clusters.

Continued emphasis on low-priced units

The mass market segment, mainly led by students, is highly competitive, with pens priced at ₹ 5, ₹ 10 and ₹ 15 per unit (some pens are priced at less than ₹ 5 as well). These price denominations play a crucial role in saleability of the products making players to often reinvent products to ensure that variations are introduced in these price ranges. Further, many brands offer bundled packs of five pieces or more, which helps in pricing units at odd multiples.

Strong distribution footprint

Retail brand penetration 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 domestic writing instruments industry relies heavily 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.

Corporate gifting

Corporate gifting is a widely accepted concept of maintaining relationships with old, as well as new clients and also given to employees as a gesture of goodwill and to reward them for their dedication. Pens are among the most preferred corporate gifts across sectors. From the manufacturers’ perspective, this segment is lucrative as branded premium products help improve profitability.

Packaging

Packaging plays a vital role in the writing and creative instruments industry. Unique and visually appealing packaging designs can help a brand stand out in a competitive market environment, while consistent packaging helps build brand recognition among consumers.

ASSESSMENT OF THE STEEL BOTTLE INDUSTRY

Introduction

Types of steel bottles

Steel bottles can be broadly categorised into vacuum and non-vacuum bottles.

Vacuum

Vacuum steel bottles are also called as thermos or flasks.

They can liquid stored warm or cold for longer time.

Such steel bottles are popular among customers and are available in different capacities ranging from 160 ml to 2200 ml with price ranging within ₹ 580 to 2400, and with different colours and with cap options.

Non-vacuum

Non-vacuum steel bottles are also known as fridge water bottles and are made of stainless steel.

Non-vacuum water bottles are affordable and lightweight, and therefore, easily portable.

These bottles are available in capacities ranging from 1000 ml to 460 ml with price ranging from ₹ 100 to ₹ 500, catering to budget-conscious consumers.

Overview of steel bottles

Vacuumed steel bottles

Non-vacuum steel bottles

Source: Industry, CRISIL MI&A

Steel water bottles have gained traction

Plastic bottles, commonly used for carrying beverages, have raised concerns due to the leaching of Bisphenol A (BPA) into liquids with increase in temperature and time. In contrast, stainless steel bottles, made from food-grade material, are BPA-free, suitable for various beverages, and resistant to mould and bacteria.

With the global population becoming more health-conscious, hygiene-aware, and environmentally conscious, especially in during and post the pandemic era, steel bottles have been gaining traction. These bottles also offer advantages such as durability, reusability, and superior safety over plastic bottles, making them a viable alternative.

OVERVIEW OF STEEL BOTTLES INDUSTRY LANDSCAPE

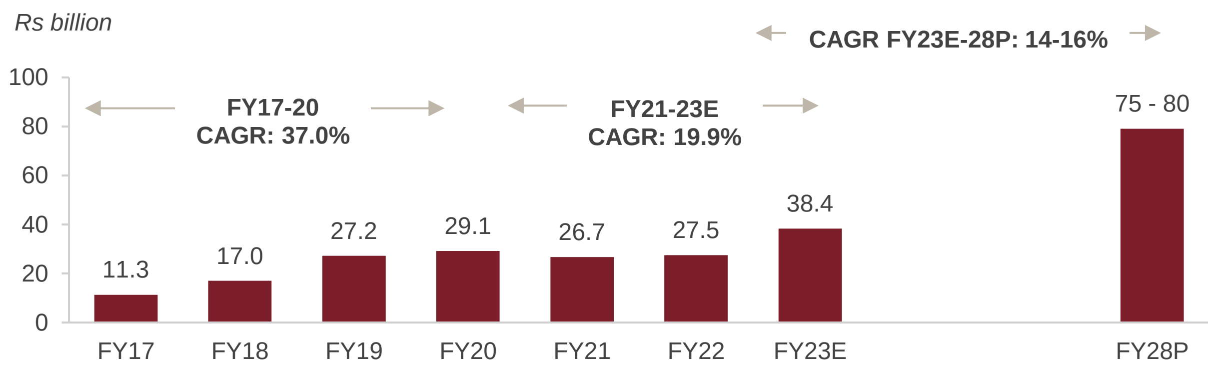
Steel bottles industry dominated by unorganised players

The Indian steel bottle manufacturing industry is highly fragmented, with unorganised players accounting for the majority share. Organised players include manufacturers such as Milton, Altasware, Pexpo, Cello and Borosil. As of Financial Year 2023, in the overall market, organised players were estimated to have constituted a 35 to 40% market share, while the remaining 60 to 65% share was occupied by unorganised players.

Growth between Financial Years 2018 and Financial Year 2022 majorly due to pandemic-led increased health-consciousness

Demand for steel bottles in India has continuously increased, with the industry having grown at 37% CAGR, majorly on account of a rise in the target population, specifically school and office goers, and gym and travel enthusiasts. However, in Financial Years 2021 and 2022, the pandemic struck, resulting in the closure of schools, colleges, and offices. Nonetheless, demand for steel bottles was impacted by a slight margin, and saw a 3% recovery in Financial Year 2022, with overall demand reaching pre-Covid levels. This was majorly led by an increase in the adoption and penetration of steel bottles during the pandemic amid increased health-consciousness, also supported by the fact that steel bottles are non-porous, easy to use, and provide good insulation, helping store cold or hot liquids at similar temperatures for a long time. This trend continued in Financial Year 2023 as well, supporting the industry to reach ₹ 38.4 billion.

Steel bottle industry in India



Note:
E: Estimated, P: Projected
Source: CRISIL MI&A

The domestic steel bottle industry is expected to register 14 to 16% CAGR in Financial Years 2023 to 2028 led by increase in health conscious consumers and penetration of steel bottles

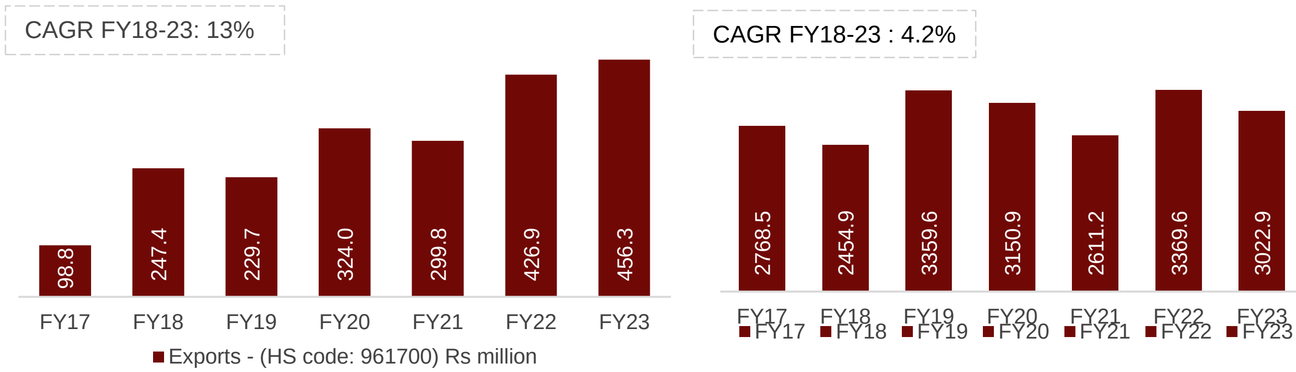
As per the UN Population Fund's State of World Population Report for 2023, India is set to surpass China to become the world's most populous country. The continued increase in population and a growing interest in sustainable products and healthier lifestyles following the pandemic would aid further penetration of steel bottles in India, thus bolstering demand.

In addition, China+1 strategy picking up globally coupled with manufacturers focusing on domestic manufacturing to reduce the dependence on imports leads to better products that fit consumer preference, enabling growth.

Export and import trends in the steel bottle industry

Indian manufacturers export steel bottles under two different HS codes, 961700 and 73239990. HS code 961700 includes export of vacuum steel bottles, which registered CAGR of 13% from Financial Years 2018 to 2023. HS code 73239990 consists of other table, kitchen, or household articles in addition to steel bottles. This category registered CAGR of 4.2% during the said period.

Export trends in the domestic steel bottle industry



Source: DGFT, CRISIL MI&A

The steel bottle industry in India is majorly import dependent due to lower prices of imported products compared with those of domestic products. Import demand is further driven by the manufacturing process being complex and capital intensive.

Steel bottle imports are recorded under two different HS codes, 961700 and 73239990. HS code 961700 includes import of vacuum steel bottles, which registered CAGR of approximately 20% from Financial Years 2018 to 2023. HS code 73239990 consists of other table, kitchen, or household articles in addition to steel bottles. This category saw CAGR of 2.7% during the said period.

OVERVIEW OF CALCULATOR MARKET IN INDIA

Qualitative overview

Calculators are electronic devices gained popularity in the 1970s for their ability to simplify and accelerate mathematical calculations. Widely utilized in various sectors such as finance, education and government, calculators also find their usage in fields like engineering, accounting and business management.

With developing countries like India where there is a huge population and several industries are coming up, the opportunity for growth in the calculator's market is huge which is further bolstered by the constant demand for calculators in education and competitive examinations.

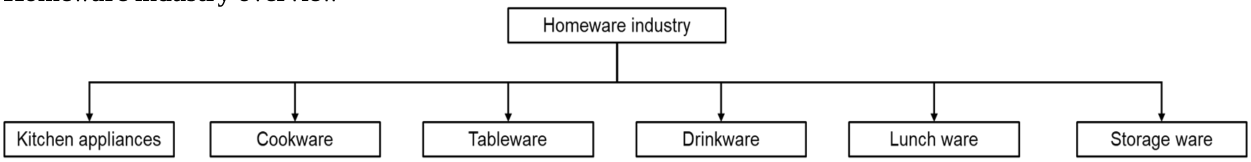
On the export front, on average, India exported calculators totalling ₹ 300 million annually from Financial Years 2021 to 2023, with exports the highest in Financial Year 2023 at approximately ₹ 418 million, or approximately 0.8 million units.

India imported calculators totalling ₹ 1.8 billion annually over the past three years (average figure for Financial Year 2021 to 2023), and, thereby, much higher compared with exports. In fact, imports were the highest in Financial Year 2023, at ₹ 2.5 billion, or approximately 8.3 million units.

OVERVIEW OF HOMEWARE INDUSTRY IN INDIA

The Indian homeware industry offers a diverse range of products that meet the functional and aesthetic needs of households. The homeware industry, with its sub-segments focused on kitchen appliances, cookware, tableware / serve ware, drinkware, lunch ware, and storage ware, caters to the diverse needs and preferences of Indian consumers.

Homeware industry overview



Source: Industry, CRISIL MI&A

Kitchen appliances segment includes wide range of offerings such as refrigerators, microwave ovens, blenders, food processors, toasters, juicers, hobs and electric kettles among others.

Cookware segment forms one of the integral parts of homeware segment. This cookware segment includes products such as rice cookers, pressure cookers, frying pans, saucepans, woks, grills, and cookware accessories.

Tableware/ serve ware segment consists of products such as dishes, bowls, plates, and cutlery. As the name suggests the products in this segment is majorly used in serving and eating meals.

Indian households use wide variety of choices under the drinkware segment which consists of products such as tumblers, jugs, mugs, cups, plastic bottles, vacuumed steel bottles, non-vacuumed steel bottles and dispensers.

Lunch ware segment consists of lunch boxes or tiffin boxes products that are mainly used for storing and carrying food for job goers and among students.

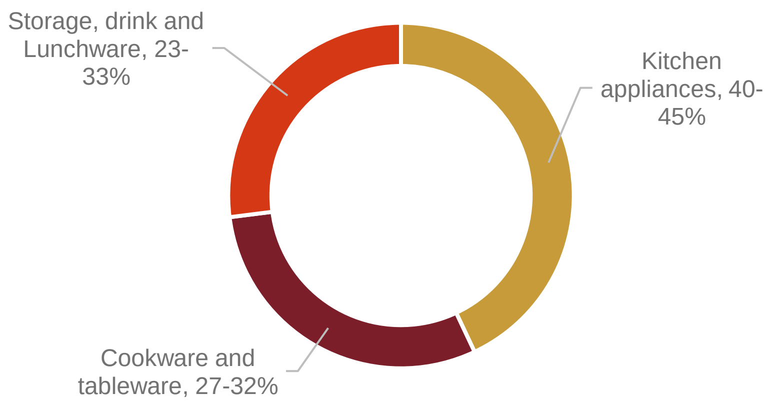
Storage ware segment includes products such as jars, containers, oil dispensers, chillers designed to keep food fresh, protect it from moisture or pests, and maximize shelf life.

Kitchen appliances form a major portion of Indian homeware industry

As of Financial Year 2023, Indian homeware industry market is estimated to be around ₹ 400 to 450 billion. Of this the lion's share is occupied by the kitchen appliances segment with a share of 40 to 45%. This is followed by cookware and tableware segments which combinedly occupy a share of 27 to 32%, while rest of the industry is occupied by storage ware, drinkware and lunch ware segments with drinkware occupying the highest share among the three.

Indian homeware industry (2023E)

As of Financial Year 2023, Indian homeware industry market is estimated to be around Rs 400 – 450 billion.



Note:
E: Estimated
Source: Industry, CRISIL MI&A

COMPETITIVE ASSESSMENT OF KEY PLAYERS

Note: Data in this section was obtained from publicly available sources, including annual reports of players, regulatory filings, and/or company websites. The financials in the competitive section have been reclassified by CRISIL MI&A, based on annual reports and financial fillings of players.

Operating parameters

Segmental presence of key players in the Indian writing and creative instrument Industry

Category of products	Pens	Pencils	Markers /Highlighters	Art and hobby	Calculator	Accessories
A W Faber Castell (India) Pvt Ltd	✓	✓	✓	✓	✗	✓
Add Pens Pvt Ltd	✓	✓	✓	✓	✗	✗
BIC Cello (India) Pvt Ltd	✓	✓	✓	✓	✗	✓
DOMS Industries Pvt Ltd	✓	✓	✓	✓	✗	✓
Elkos Pens Ltd	✓	✓	✓	✓	✗	✓
Flair Writing Industries Ltd	✓	✓	✓	✓	✓	✓
Hamilton Writing Instruments Pvt Ltd	✓	✗	✓	✗	✓	✓
Hindustan Pencils Pvt Ltd	✓	✓	✓	✓	✗	✓
ITC Ltd	✓	✓	✓	✓	✗	✓
Kokuyo Camlin Ltd*	✗	✓	✓	✓	✗	✓
Lexi Private Ltd	✓	✗	✗	✗	✗	✗
Linc Ltd	✓	✓	✓	✗	✓	✓
Luxor Writing Instruments Pvt Ltd	✓	✗	✓	✓	✗	✓
Pentel Stationery (India) Pvt Ltd	✓	✓	✓	✓	✗	✓
Pidilite Industries Ltd	✗	✗	✗	✓	✗	✓
Reynolds Pens India Pvt Ltd	✓	✓	✓	✓	✗	✓
Unomax Pens And Stationery Pvt Ltd	✓	✓	✓	✗	✗	✗
William Penn Pvt Ltd	✓	✓	✗	✗	✗	✗

Note:
The player list considered for writing and creative instrument industry is indicative not an exhaustive
The above list of players considered are mentioned in an alphabetical order
** Kokuyo Camlin Ltd deals in inks*
Source: Company websites, annual reports, CRISIL MI&A

Distribution network of some players in the writing and creative instruments industry

Company name	Dealers / distributors	Wholesalers / retailers	Source
DOMS Industries Pvt Ltd	4,000+	1,00,000	Rating rationale (May 2022)
Flair Writing Industries Ltd (approximately)	7,700	315,000	Company interaction
Kokuyo Camlin Ltd	1,500	3,00,000	Rating rationale (July 2022)
Linc Ltd*	2,650+	2,40,000	Annual report and concall
Luxor Writing Instruments Pvt Ltd	4,500	80,000	Rating rationale (Jun 2022)

Notes:
The list of players is indicative, and not complete
For Linc Ltd, dealers/distributors data is as of Financial Year 2022, while wholesalers/retailers data is as of Financial Year 2023
Source: Company websites, annual reports, rating rationale, CRISIL MI&A Research

Operating income

Operating income (Rs Mn)	FY17	FY18	FY19	FY20	FY21	FY22	CAGR (FY17-19)	CAGR (FY20-22)	CAGR (FY17-22)
Hindustan Pencils	8,442.8	8,295.1	9,412.3	9,677.0	4,888.7	7,740.5	6%	-11%	-2%
DOMS	3,965.0	4,685.2	5,878.6	6,542.3	4,028.2	6,836.0	22%	2%	12%

Operating income (Rs Mn)	FY17	FY18	FY19	FY20	FY21	FY22	CAGR (FY17-19)	CAGR (FY20-22)	CAGR (FY17-22)
Flair*	4,189.8 ^	5,736.7 (5,168.2)	7,323.9 (6,334.7)	7,251.5 (6,171.6)	2,979.9	5,774.0	32%	-11%	7%
Camlin	6,558.6	6,973.6	6,888.0	6,340.4	4,031.2	5,084.7	2%	-10%	-5%
BIC Cello	5,982.2	5,855.7	5,356.4	4,794.6	2,646.0	4,064.4	-5%	-8%	-7%
Linc	3,601.0	3,402.0	3,712.6	4,050.0	2,586.5	3,592.6	2%	-6%	0%
Luxor	3,174.4	3,310.0	3,483.2	3,650.3	2,317.5	3,341.2	5%	-4%	1%
Reynolds	209.1	889.3	1,669.2	1,926.6	1,922.8	2,987.3	183%	25%	70%

Notes:
** As per the agreement(s) entered between Flair Writing Industries Ltd and Reynolds Pens India Pvt Ltd and the Subsidiary – Flair Distributor Pvt Ltd (FDPL). Flair Writing Industries Ltd manufactures products under the brand name Reynolds and sells them to Reynolds Pens India Pvt Ltd. The Subsidiary thereafter buys the said Products from Reynolds for sales and distribution. The values in the brackets indicate operating income excluding the impact from the sale mentioned.*
^ The company has an operating income of Rs.1,496.5 million for the period between 12th August 2016 to March 2017. For fiscal 2017 (for period between April 2016 to March 2017) the company has an operating income of Rs. 4,189.8 million.
The numbers are adjusted as per CRISIL standards
Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis
indicates the top 3 companies among the players considered for operating income
Source:Annual reports, CRISIL MI&A

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA(Rs Mn)	FY17	FY18	FY19	FY20	FY21	FY22	CAGR (FY17-19)	CAGR (FY20-22)	CAGR (FY17-22)
Hindustan Pencils	625.0	483.5	543.2	439.7	93.4	276.1	-7%	-21%	-15%
DOMS	521.8	613.0	738.5	765.8	317.1	721.4	19%	-3%	7%
Flair	857.9	953.9	1,230.1	940.1	235.1	1,025.9	20%	4%	3%
Camlin	235.0	415.2	505.3	369.7	82.3	165.1	47%	-33%	-7%
BIC Cello	(487.8)	(327.7)	(975.6)	(879.0)	(1,397.3)	(1,412.9)	N.M	N.M	N.M
Linc	340.2	257.7	257.0	412.2	113.9	242.0	-13%	-23%	-7%
Luxor	279.2	255.6	344.1	210.1	47.0	72.5	11%	-41%	-24%
Reynolds	(118.9)	(33.6)	(81.0)	(30.1)	192.5	251.6	N.M	N.M	N.M

Notes:
NM: Not meaningful, as the base value or final value in the calculation is negative or both values are negative
The table is in the order of high operating income to low operating income basis Fiscal 2022 figures
Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis
EBITDA values do not include non-operating income are are adjusted for gain or loss from foreign exchange fluctations
The numbers are adjusted as per CRISIL standards
Source:Annual reports, CRISIL MI&A

EBITDA Margin

EBITDA Margin	FY17	FY18	FY19	FY20	FY21	FY22
Hindustan Pencils	7.4	5.8	5.8	4.5	1.9	3.6
DOMS	13.2	13.1	12.6	11.7	7.9	10.6
Flair	20.5	16.6	16.8	13.0	7.9	17.8
Camlin	3.6	6.0	7.3	5.8	2.0	3.2
BIC Cello	(8.2)	(5.6)	(18.2)	(18.3)	(52.8)	(34.8)
Linc	9.4	7.6	6.9	10.2	4.4	6.7
Luxor	8.8	7.7	9.9	5.8	2.0	2.2
Reynolds	(56.9)	(3.8)	(4.9)	(1.6)	10.0	8.4

Notes:
(1) *The table is in the order of high operating income to low operating income basis Fiscal 2022 figures*
(2) *Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis*
(3) *EBITDA values do not include the non-operating income for the company and are adjusted for gain or loss from eforeign exchange fluctuations*
(4) *EBITDA margin = EBITDA / Operating Income*

(5) *The numbers are adjusted as per CRISIL standards*
Source:Annual reports, CRISIL MI&A

Snapshot of Fiscal 2023 financials

FY23	Operating income (Rs Mn)	PAT (Rs Mn)	PAT margin (%)
Flair	9,426.6	1,181.0	12.5%
Camlin*	7,749.4	244.5	3.2%
Linc*	4,867.6	374.0	7.7%

Notes:
(1) **The numbers are not adjusted as per CRISIL standards*
(2) *Values for Flair are considered on a consolidated basis and the rest on standalone basis*
(3) *The table is in the order of high operating income to low operating income basis Fiscal 2023 figures*
(4) *Fiscal 2023 financials for Hindustan Pencils, DOMS, BIC Cello, Luxor and Reynolds are not available*
Source:Annual reports, CRISIL MI&A

Profit after tax

PAT (Rs Mn)	FY17	FY18	FY19	FY20	FY21	FY22	CAGR (FY17-19)	CAGR (FY20-22)	CAGR (FY17-22)
Hindustan Pencils	45.0	28.4	84.3	82.7	(53.8)	67.9	37%	-9%	9%
DOMS	241.1	273.1	328.4	376.0	(60.3)	171.4	17%	-32%	-7%
Flair	502.4	492.6	661.7	379.4	9.9	551.5	15%	21%	2%
Camlin	15.0	98.2	152.0	43.6	(146.2)	(47.3)	219%	N.M	N.M
BIC Cello	(1,500.6)	(1,138.1)	(1,821.1)	(812.4)	(2,154.6)	(1,620.5)	N.M	N.M	N.M
Linc	172.6	78.4	54.5	192.5	0.4	81.3	-44%	-35%	-14%
Luxor	32.5	45.7	47.1	14.3	(94.1)	(50.4)	20%	N.M	N.M
Reynolds	(140.7)	(129.1)	(167.6)	(112.0)	(21.5)	150.4	N.M	N.M	N.M

Notes:
NM: Not meaningful, as base value or final value in the calculation is negative or both values are negative
Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis
The numbers are adjusted as per CRISIL standards
Source:Annual reports, CRISIL MI&A

Profit after tax margin

PAT margin (%)	FY17	FY18	FY19	FY20	FY21	FY22
Hindustan Pencils	0.5	0.3	0.9	0.9	(1.1)	0.9
DOMS	6.1	5.8	5.6	5.7	(1.5)	2.5
Flair	12.0	8.6	9.0	5.2	0.3	9.6
Camlin	0.2	1.4	2.2	0.7	(3.6)	(0.9)
BIC Cello	(25.1)	(19.4)	(34.0)	(16.9)	(81.4)	(39.9)
Linc	4.8	2.3	1.5	4.8	0.0	2.3
Luxor	1.0	1.4	1.4	0.4	(4.1)	(1.5)
Reynolds	(67.3)	(14.5)	(10.0)	(5.8)	(1.1)	5.0

Notes:
(1) *Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis*
(2) *The numbers are adjusted as per CRISIL standards*
Source: Annual reports, CRISIL MI&A

Snapshot of key ratios considered

FY22	EBITDA margin (%)	PAT margin (%)	ROCE (%)	ROE (%)	Current ratio (times)
Hindustan Pencils	3.6	0.9	9.1	5.2	1.5
DOMS	10.6	2.5	10.2	6.9	1.2
Flair	17.8	9.6	19.6	19.2	2.3
Camlin	3.2	(0.9)	(0.2)	(2.0)	1.6

FY22	EBITDA margin (%)	PAT margin (%)	ROCE (%)	ROE (%)	Current ratio (times)
BIC Cello	(34.8)	(39.9)	(37.6)	(38.3)	1.3
Linc	6.7	2.3	7.8	5.9	2.1
Luxor	2.2	(1.5)	1.5	(5.4)	1.0
Reynolds	8.4	5.0	6.8	6.2	2.8

Notes:

(1) *The numbers are adjusted as per CRISIL standards*

(2) *Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis*

(3) *EBITDA values do not include the non-operating income for the company and are adjusted for gain or loss from foreign exchange fluctuations*

(4) *indicates the top 3 companies among the players considered and in the ratio considered*

Source:Annual reports, CRISIL MI&A

OUR BUSINESS

Some of the information in this section, 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 27 and 29, 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. Our financial year ends on March 31 of each year, and references to a particular financial year are to the twelve-month period ended March 31 of that year.

In this section, any reference to "the Company" or "our Company" refers to Flair Writing Industries Limited on a standalone basis and any reference to "we", "us" or "our" refers to Flair Writing Industries Limited together with our Subsidiaries 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 and the FDPL Scheme, considered together or individually, as applicable.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Information. For further information, see "Financial Information" on page 234.

*Unless otherwise indicated, the industry and market related information in this section is derived from the report titled "An assessment of writing and creative instruments industry and steel bottle industry in India" dated June 2023 prepared by CRISIL (the "**CRISIL Report**"). CRISIL was engaged in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated April 14, 2023 entered into with our Company. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer. A copy of the CRISIL Report shall be available on the website of our Company at www.flairworld.in/investor-relation.html. Unless otherwise indicated, 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. For more information, see "Risk Factors—Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by us exclusively in connection with the Offer" on page 53.*

To obtain a complete understanding of our business, please read this section in conjunction with "Risk Factors", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 29, 134 and 318, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

Overview

We are the largest player in pens segment reporting a revenue of ₹7,541.8 million in Financial Year 2023 from the pens writing instruments segment in India, according to CRISIL. We are among the top three players in the overall writing 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. According to CRISIL, 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 CAGR of 5.5% between Financial Year 2017 and 2023, we grew at a CAGR of approximately 14% during the same period. 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 flagship brand "Flair" has enjoyed a market presence of over 45 years. We have an extensive range of products across various price points and cater to a broad range of consumers, including students, professionals and offices. We manufacture and distribute writing instruments including pens, stationery products and calculators. Leveraging on our manufacturing capabilities, and our existing customer base in the writing and creative instruments business, we have also diversified into manufacturing houseware products and steel bottles.

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 328.30 million units or 25.18% was exported globally. Compared with other key organized players in the writing and creative instruments industry such as DOMS, Camlin, Linc and Luxor, our Company had the largest distributor/dealer network and wholesale/retailer network, in the writing instruments segment in India, according to CRISIL, comprising approximately 7,700 distributors/dealers and approximately 315,000 wholesalers/retailers, as of March 31, 2023. We occupied a market share of 7.1% in the export of writing and creative instruments industry, in Financial Year 2023, according to CRISIL.

We manufacture and distribute several brands in India and due to our ability to manufacture quality products and our distribution and retail capabilities, we are able to partner with various international brands in the writing instruments industry. Our products are sold under our "Flair" brand , our principal brands "Hauser" and "Pierre Cardin" and we have recently introduced "ZOOX" in India. Our brands "Flair" and "Hauser" offer mass-market and premium pen and stationery products, our brand "ZOOX" focusses on mid-premium and premium writing instruments, and our "Pierre Cardin" brand offers premium pen and stationery products. We also contract manufacture writing instruments as an OEM for export and for sale in India, which contributed 19.94%, 33.37% and 38.67% to our revenue from operations in the Financial Years 2023, 2022 and 2021, respectively. We also provide customized corporate gifting products to our corporate customers.

Our product range includes a variety of pens (ball pens, fountain pens, gel pens, roller pens and metal pens), which is our largest category in terms of number of products offered, stationery products (mechanical pencils, highlighters, correction pens, markers, gel crayons and kids' stationery kits) and calculators. We launched a range of "Flair Creative" products in Financial Year 2021 which include water colours, crayons, sketch pens, erasers, wooden pencils and geometry boxes, fine liners, sharpeners and scales. We offered 699 different products as of March 31, 2023.

We have recently forayed into manufacturing a wide range of houseware products including casseroles, bottles, storage containers, serving solutions, cleaning solutions and basket and paper bins, through one of our Subsidiaries, FWEPL. We intend to utilize a portion of the proceeds from the Offer for funding capital expenditure of FWEPL for purchase of machinery and moulds to expand its manufacturing capacity for writing instruments. For further details, see "*Objects of the Offer*" on page 96. We intend to leverage the strength of the "Flair" brand and our manufacturing and distribution capabilities to expand and optimize the business of houseware products and steel bottles, which is expected to be a key area of our growth going forward. We have recently commenced manufacturing steel bottles through one of our Subsidiaries, FCIPL, in March 2023. According to CRISIL, the steel bottle industry in India is projected to grow at a CAGR of 14-16% between Financial Year 2023 and 2028. We have received an order from one of our key OEM customers with whom our Company has a relationship of more than 15 years. One manufacturing line has been commissioned in the month of March 2023, according to the Chartered Engineer, pursuant to the certificate dated July 12, 2023 and we intend on commissioning two more manufacturing lines during the second half of Financial Year 2024 at our manufacturing plant in Valsad, Gujarat.

We manufacture pens and other products from 11 manufacturing plants located in Valsad, Gujarat; in Naigaon (near Mumbai), Maharashtra; in Daman, Union Territory of Dadra and Nagar Haveli and Daman and Diu; and in Dehradun, Uttarakhand.

The table below sets details of our production capacity, capacity utilization, effective production capacity and effective capacity utilization, for the periods indicated:

Particulars	Financial Year				
	2023	% change	2022	% change	2021
Production capacity (*in million pieces*)	2,023.68	9.07	1,855.32	5.46	1,759.24
Capacity utilization (*in %*)	72.82	24.67	58.41	73.74	33.62
Effective production capacity (*in million pieces*)	1,978.33	9.63	1,804.48	3.08	1,750.51
Effective capacity utilization (*in %*)	74.49	24.05	60.05	77.72	33.79

(1) *Effective capacity means actual available capacity of the machines and moulds for the year which can be put to use. For example, a machine installed in March 2023 will have an annual installed capacity of 100 units while the effective capacity would only be 1/12 x 100 = 8.33 units.*

(2) *Based on the certificate dated July 12, 2023 issued by the Chartered Engineer.*

In India, our products reach consumers through a diverse 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 131 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 March 31, 2023, which were supported by 900 sales and marketing employees. Our relationship with our top 5 super-stockists (in terms of their contribution to our revenue from operations for the Financial Year 2023) averaged approximately 25 years. We had a retail distributor presence in 2,387 cities, towns and villages in India, as of March 31, 2023. Besides traditional distribution channels, our products are also sold through modern retail outlets, as well as e-commerce platforms. As of March 31, 2023, we had 54 international distributors catering to a specific region or country. Our products were sold by us and our distributors in 97 countries as of March 31, 2023. Our marketing and brand-building initiatives have a two-fold aim of reaching consumers as well as our distribution network partners. For further details, see "—*Sales, Marketing and Distribution*" on page 187.

Our management is led by the guidance of our Promoters and the professional management team. Our Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, have more than four decades of experience in the writing instruments industry and 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. We also have a professional management team which includes our Key Managerial Personnel and Senior Management. Our Promoters are complemented by the senior management team with an exhaustive experience across the writing and creative instruments industry in India. The senior management team has been instrumental in formulating sound business strategies and in our growth. For further details, see "*Our Management*" on page 205.

According to CRISIL, between Financial Years 2023 and 2028, the organized players in the writing and creative instruments industry in India are poised to experience significant faster growth when compared to the unorganized players. According to CRISIL, the higher growth rate among organized players is attributed to the increase in market share from the unorganized sector during the COVID-19 pandemic and the expansion of product offerings by organized players across various categories and age groups. According to CRISIL, the key seven organized players in the writing and creative instrument industry in India, including our Company, have grown faster than the rest of the organized players. While COVID-19 (in Financial Year 2020) impacted the overall industry, post pandemic (between Financial Year 2021 to 2023), the key seven organized players played a pivotal role in driving industry growth which is attributable to entering into new price segments in the existing category of products. According to CRISIL, the key seven organized players are expected to continue the growth momentum and grow at a CAGR of 7.7-8.4% between Financial Years 2023 and 2028 which is expected to be driven by factors such as a rise in literacy rates and government initiatives towards education. 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 has positioned us to capture a higher market share of the fast-growing Indian writing instruments industry and we will benefit from the expected growth of this industry.

According to CRISIL, the perceived magnitude of the threat posed by digital education has subdued than initially anticipated during the pandemic with prominent online education platforms shifting towards establishing physical coaching centers, indicating unlikely displacement of offline education.

Competitive Strengths

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

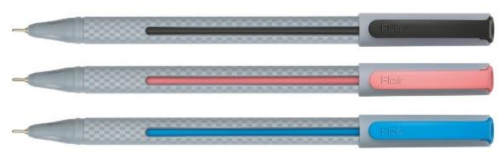
Largest player in the pens writing instruments segment in India

We are the largest player in pens segment in India reporting a revenue of ₹7,541.8 million in Financial Year 2023 from the pens writing instruments segment, according to CRISIL. We are among the top three players in the overall writing 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. According to CRISIL, 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

CAGR of 5.5% between Financial Year 2017 and 2023, we grew at a CAGR of approximately 14% during the same period. 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 328.30 million units or 25.18% was exported globally. Our flagship brand, "Flair" was launched in 1976, with the involvement of our Promoters throughout its history and a focus on innovative designs and quality writing instruments. We have developed a reputation as one of the key manufacturers of pens writing instruments in India, according to CRISIL, and aim to continue to build on this reputation by introducing new range of products and brands. We also offer products under our other principal brands of "Hauser", "Pierre Cardin" and "ZOOX". According to CRISIL, within the writing and creative instruments industry, pens form a major share and is driven by volumes. Our brands "Flair" and "Hauser" offer mass-market and premium pen and stationery products, our brand "ZOOX" focusses on mid-premium and premium writing instruments, and our "Pierre Cardin" brand offers premium pen and stationery products.

We believe that we have the ability to further consolidate our leadership position as our brands command credibility in the market and we have a competitive advantage in existing markets as well as to enter new markets to grow our product range. Our emphasis on innovation and design enables us to manufacture and introduce a wide range of products. Such efforts also enable us to promote sub-brands based on such products that further drive brand recognition and consumer loyalty. Our innovative range of products include the following:

Flair Glitter Gel Pen
(it has a metallic glitter ink effect)



Flair Yolo Ball Pen
(it has a laser carbon finish in body)

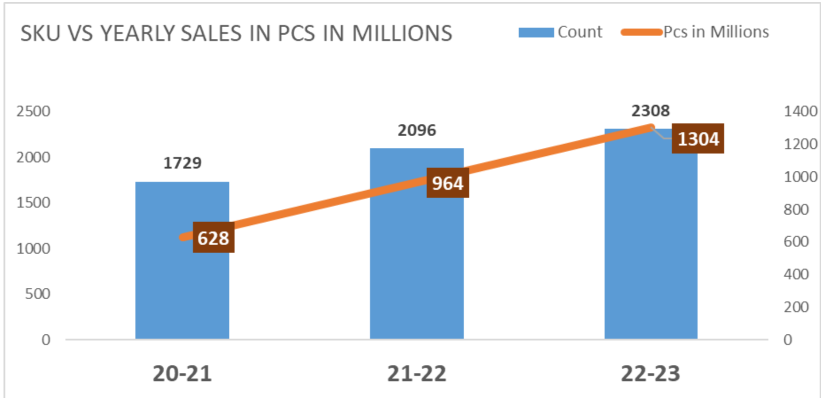
Flair Writo-Meter Ball Pen
(it is our longest writing pen and writes up to 10,000 meters)

Hauser XO Ball Pen
(it is offered in pastel colours)

Sunny Ball Pen
(it has 4-in-1 refills)

Ezee-Click Ball Pen
(it is a low-viscosity retractable pen)

The graph below shows the total number of stock keeping units ("**SKUs**") of pen products along with the volume of SKUs sold in the Financial Years 2021, 2022 and 2023:



Details of our revenue from operations from sale of our pen products by brand for the periods indicated, are set out below:

Brand	Revenue from operations for the Financial Year		
	2023	2022	2021
	(in ₹ million)		
Flair pens	3,236.14	1,843.27	963.64
Hauser pens	1,929.97	760.44	334.91
Pierre Cardin pens	524.16	357.18	141.40
Others(1)	1,567.31	1,691.50	1,017.64
Total	**7,257.58**	**4,652.39**	**2,457.59**

(1) All other brands including the OEM brands

Diversified range of products across various price points catering to a wide spectrum of consumers

We have the most comprehensive product portfolio in the writing and creative instruments industry in India, according to CRISIL. We have an extensive product range across various price points and consumer segments, including pen products (ball pens, fountain pens, gel pens, roller pens and metal pens), which is our largest category in terms of number of products offered, creative and stationery products (mechanical pencils, highlighters, correction pens, markers, gel crayons, colouring range, erasers, geometry boxes and kids' stationery kits), calculators, and we offered 699 different products as of March 31, 2023, as set forth below:

Brand/other	Number of products (as of March 31, 2023)
Flair pens	250
Flair creatives/ stationery	128
Flair calculators	19
Hauser pens	121
Pierre Cardin pens	179
ZOOX pens	2
Total	**699**

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 cater to consumers in our target segments, from writing instruments priced between ₹5 and ₹15 ("**Mass Segment**"), priced between ₹16 and ₹100 ("**Mid-premium Segment**") and priced above ₹100 ("**Premium Segment**").

In order to enhance our brand presence in terms of product pricing, we focus on competitive pricing and aggressive marketing for our Mass Segment and focus on brand building and product differentiation in our Mid-premium

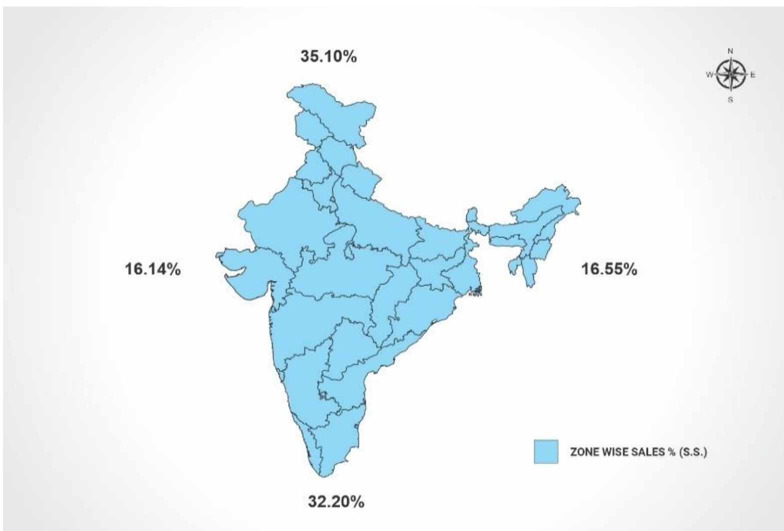
Segment and Premium Segment. In the Financial Year 2023, we launched 151 pen products across various price points.

Leveraging on our manufacturing capabilities, and our existing customer base in the writing and creative instruments business, we have also diversified into manufacturing houseware products and steel bottles.

Largest pan-India distributor/dealer network and wholesale/retailer network in the writing instruments industry* and strong presence in targeted markets abroad

Our multi-tiered nationwide domestic sales and distribution network enables our products to reach a wide range of consumers and help to ensure effective market penetration across geographies. According to CRISIL, 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, according to CRISIL. Compared with other key organized players in the writing and creative instruments industry such as DOMS, Camlin, Linc and Luxor, our Company had the largest distributor/dealer network and wholesale/retailer network, in the writing instruments segment in India, according to CRISIL, comprising approximately 7,700 distributors/dealers and approximately 315,000 wholesalers/retailers, as of March 31, 2023. As of March 31, 2023, we had 131 super-stockists in India (including Flair Sporty), supported by our sales and marketing employees, and a retail presence in 2,387 cities, towns and villages in India.

The map of India below shows the zone wise sales of our products as of March 31, 2023:



In India, we designate third-party super-stockists for a particular area, who then appoint distributors and we aim to build long-term relationships with them. Our relationship with our top 5 super-stockists (in terms of their contribution to our revenue from operations for the Financial Year 2023) averaged approximately 25 years. We also conduct distribution through our Company's Flair Sporty division, which is the super-stockist for the Mumbai region. Flair Sporty division 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. These employees 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. Further, we use the field force application for tracking and ordering of secondary sales and direct ordering of products and are also using distribution management system (DMS). We employed 900 sales and marketing employees as of March 31, 2023. 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.

* *In comparison with other key organized players in the writing and creative instruments industry such as DOMS, Camlin, Linc and Luxor.*

Ability to partner with international brands in the writing instruments industry and one of the largest exporter of writing and creative instruments in India

According to CRISIL, from Financial Year 2018 to 2023 India exported writing and creative instruments worth approximately ₹18 billion per year on average, growing at CAGR of approximately 9%. Of these exports, pens contributed 65-75% in value terms, according to CRISIL. Our customer base includes reputed international brands and distribution companies. We enjoy a reputation of trust and reliability with such customers. We have established long-term relationships with international companies for which we manufacture and distribute or are a contract manufacturer, which we believe positions us as a gateway to India for leading international stationery brands. Our relationship with our five largest customers (in terms of their contribution to our total revenue from operations for the Financial Year 2023), located in U.S., United Arab Emirates, Yemen, Japan and Colombia averaged approximately 15 years. We believe that well-known international companies choose to enter into arrangements with us based on our reputation and collaborative approach, high level of product quality, customer service, innovative product design, manufacturing and engineering 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. With our track record and wide product portfolio, we believe we have been able to retain our existing customers and have also been able to attract new customers.

For the export of our branded products, primarily “Flair”, “Hauser”, “Pierre Cardin”, “ZOOX” and “Flair Creative”, we typically appoint a distributor for a particular brand in each country or region. As of March 31, 2023, we had relationships with 54 international distributors for the distribution and sale of our products abroad. As of March 31, 2023, our products were sold by us and our distributors in 97 countries, whereby we mitigate any concentration risk.

We are recognized for our leading position in the export business for our writing and creative instruments and have received awards such as “Top Exporter” from the Plastics Export Promotion Council, a plastics industry body sponsored by the Ministry of Commerce & Industry, Government of India for writing instruments (excluding parts) category for the periods 2019-20 and 2020-21, respectively and “Top Exporters Award” for being number two and number three, respectively, from the PSAI for 2019-20 and 2021-22. For further details, see “*History and Certain Corporate Matters—Awards, Certifications and Recognitions*” on page 199.

We also have a team of sales and marketing employees to aid our exports. We regularly participate in various international trade fairs in order to enhance our presence in the global markets. We primarily export our products to the U.S., United Arab Emirates, Yemen, Colombia and Japan, which contributed 61.19% of our revenue from export operations during the Financial Year 2023. We have also entered into OEM arrangements with various international companies for contract manufacturing and exporting writing instruments.

High quality manufacturing at a large scale coupled with innovation capabilities

As of March 31, 2023, we had 11 manufacturing plants located in Valsad, Gujarat; in Naigaon (near Mumbai), Maharashtra; in Daman, Union Territory of Dadra and Nagar Haveli and Daman and Diu; and in Dehradun, Uttarakhand.

The table below sets details of our production capacity, capacity utilization, effective production capacity and effective capacity utilization, for the periods indicated:

Particulars	**Financial Year**				
	2023	**% change**	**2022**	**% change**	**2021**
Production capacity (*in million pieces*)	2,023.68	9.07	1,855.32	5.46	1,759.24
Capacity utilization (*in %*)	72.82	24.67	58.41	73.74	33.62
Effective production capacity (*in million pieces*)	1,978.33	9.63	1,804.48	3.08	1,750.51
Effective capacity utilization (*in %*)	74.49	24.05	60.05	77.72	33.79

(1) *Effective capacity means actual available capacity of the machines and moulds for the year which can be put to use. For example, a machine installed in March 2023 will have an annual installed capacity of 100 units while the effective capacity would only be 1/12 x 100 = 8.33 units.*

(2) *Based on the certificate dated July 12, 2023 issued by the Chartered Engineer.*

During this period, our capital expenditure comprising injection moulding machines, ancillary machines, moulds and other capital expenditure was ₹1,240.86 million. For details in relation to the installed capacity of our manufacturing plants as of March 31, 2023, March 31, 2022 and March 31, 2021 and the actual production and capacity utilization for the Financial Years 2023, 2022 and 2021, see "—*Manufacturing Facilities and Other Properties—Production Capacity and Capacity Utilization*" on page 184. We intend to utilize a portion of the proceeds from this Offer for funding capital expenditure of our Company and FWEPL. For further details, see "*Objects of the Offer*" on page 96.

According to CRISIL, players with in-house manufacturing capabilities can produce products at lower cost in addition to having the flexibility to innovate and develop products that satisfy changing consumer preferences. We have introduced automatic and semi-automatic assembly and packing machines and endeavor to control our manufacturing processes through increasing backward integration and reduce dependence on external suppliers. We also use machines and moulds imported from countries such as Germany, South Korea, China, Spain and Switzerland, in addition to machinery and moulds procured from within India, which enables us to engage in high precision manufacturing. Our manufacturing plants are equipped to customize manufacturing and products for our OEM and corporate customers. We endeavor to maintain quality standards and good manufacturing practices. A majority of our 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.

Our emphasis on innovation and design has enabled us to introduce products such as the "Flair Glitter Gel Pen" (which has a metallic glitter ink effect), the "Hauser XO Ball Pen" (which is offered in pastel colors), the "Ezee-Click Ball Pen" (a low-viscosity retractable pen) and the "Flair Woody Ball Pen" (which has wood finish). Our other products include the "Flair Yolo Ball Pen" (which has a laser carbon body finish), the "Flair Writo-Meter Ball Pen" (which writes up to 10,000 meters), the "Sunny Ball Pen" (4-in-1) and the "Flair Creative Gem Pencil (which has a crystal in diamond shape on top of the pencil)".

We seek to integrate technology into our processes at key stages of design, manufacturing and distribution to increase efficiency and ensure optimization and quality in a cost-effective manner. We target to further increase cost efficiencies by taking advantage of our economies of scale. 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. Nine of our manufacturing plants in Naigaon, Daman and Valsad are located in proximity to the major Indian port in Nhava Sheva, Maharashtra and our units in Dehradun, Uttarakhand are located in proximity to the inland container depot in Moradabad, Uttar Pradesh. Except for our plant in Naigaon, Maharashtra (where primarily metal-based writing instruments and calculators are manually assembled), our other operational manufacturing plants are versatile in that any of our products can be manufactured at any of our operational plants.



Experienced Promoters supported by professional senior management team

Our Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, have more than four decades of experience in the writing instruments industry and have been instrumental in the growth of our "Flair" brand as well as in the origination and acquisition of all our other brands and our OEM business. Mr. Khubilal Jugraj Rathod, Chairman and Whole-time Director, has received the Life time Achievement Award from The Bombay Fountain Pen Manufacturers and Traders Association, the award for the 'Most Admired Leader' from Herald Global in 2017 and Inspirational Leaders of New India award from Powerbrands Glam, Las Vegas, USA, among others. Mr. Vimalchand Jugraj Rathod, Managing Director, has received 'Asia's Most Promising Leader 2015-16' award from World Consulting and Research Corporation and 'Award of Appreciation' from the Pen and Stationery Association of India, among others. For further details, see "*Our Management—Brief Biographies of our Directors*" on page 208.

Our three Whole-time Directors, Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumit Rathod, have over three decades, two decades and one decade of experience, respectively, in the writing instruments industry and are responsible for international sales and marketing along with global relationship development, product development, domestic sales and marketing and new business development, production, process and system management, respectively, in our Company. Our senior management team includes our Chief Operating Officer, Mr. Jatin Chadha and our Assistant General Manager – Factory and Administration, Mr. Naveen Kapoor who have experience in the writing instruments and stationery products industry. We believe that our Promoters, together with our senior management team, have been instrumental in taking advantage of market opportunities, formulating sound business strategies and executing them in an effective manner. Our Subsidiary, FCIPL, has recently appointed a chief executive officer to steer growth in our steel bottle manufacturing business. For details of the Directors, Key Management Personnel and Senior Management Personnel, see "*Our Management*" on page 205.

We also place emphasis on the strength of our workforce. As at March 31, 2023, we had 5,622 full-time employees of which 3,149 were woman employees, which formed 56% of the total workforce in our Company. After excluding employees in our sales and marketing team, our woman employees constituted approximately 67% of the total workforce in our Company.

Historical track-record of strong financial performance with industry-leading profitability

We have an established a track-record of strong and consistent financial performance, with our revenue from operations, profit after tax, EBITDA and return on capital employed ratio having grown at a CAGR of 77.86%, 992.77%, 133.21% and 200.03%, respectively, from Financial Year 2021 to Financial Year 2023. This is attributable to our continued focus on innovative designs, new product launches, product quality and process improvement, higher-margin products, competitive pricing and cost rationalization.

We believe that our operational and financial position illustrates not only growth of our operations over the years, but also effectiveness of our capital and strong working capital management across our business. The table below sets forth income generated from operations for the periods indicated, as compared with certain competitors in the writing and creative instruments industry:

Operating income *(in ₹ million)*	**Financial Year**						**CAGR**		
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**Financial Year 2017-2019**	**Financial Year 2020-2022**	**Financial Year 2017-2022**
Hindustan Pencils	8,442.8	8,295.1	9,412.3	9,677.0	4,888.7	7,740.5	6%	(11)%	(2)%
DOMS	3,965.0	4,685.2	5,878.6	6,542.3	4,028.2	6,836.0	22%	2%	12%
Flair*	4,189.8**	5,736.7 (5,168.2)	7,323.9 (6,334.7)	7,251.5 (6,171.6)	2,979.9	5,765.1	32%	(11)%	7%
Camlin	6,558.6	6,973.6	6,888.0	6,340.4	4,031.2	5,084.7	2%	(10)%	(5)%
BIC Cello	5,982.2	5,855.7	5,356.4	4,794.6	2,646.0	4,064.4	(5)%	(8)%	(7)%
Linc	3,601.0	3,402.0	3,712.6	4,050.0	2,586.5	3,592.6	2%	(6)%	0%
Luxor	3,174.4	3,310.0	3,483.2	3,650.3	2,317.5	3,341.2	5%	(4)%	1%
Reynolds	209.1	889.3	1,669.2	1,926.6	1,922.8	2,987.3	183%	25%	70%

** As per the agreement(s) entered between our Company, Reynolds and FDPL. Our Company manufactures products under the brand name "Reynolds" and sells them to Reynolds. FDPL thereafter bought the said products from Reynolds for sales and distribution. The values in the brackets indicate operating income excluding the impact from the sale mentioned.*
*** Our Company has an operating income of ₹1,496.5 million for the period between August 2016 to March 2017. For Financial Year 2017 (for period between April 2016 to March 2017) our Company has an operating income of ₹4,189.8 million.*
Source: CRISIL Report
Note:
(1) *The table is in the order of high operating income to low operating income basis Financial Year 2022 figures*
(2) *Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis*

The table below sets forth a comparison of our EBITDA margin with certain competitors in the writing and creative instruments industry, for the periods indicated:

EBITDA margin (%)	**Financial Year**					
	2017	**2018**	**2019**	**2020**	**2021**	**2022**
Hindustan Pencils	7.4	5.8	5.8	4.5	1.9	3.6
DOMS	13.2	13.1	12.6	11.7	7.9	10.6
Flair	**20.5**	**16.6**	**16.8**	**13.0**	**7.9**	**17.8**
Camlin	3.6	6.0	7.3	5.8	2.0	3.2
BIC Cello	(8.2)	(5.6)	(18.2)	(18.3)	(52.8)	(34.8)
Linc	9.4	7.6	6.9	10.2	4.4	6.7
Luxor	8.8	7.7	9.9	5.8	2.0	2.2
Reynolds	(56.9)	(3.8)	(4.9)	(1.6)	10.0	8.4

Source: CRISIL Report
Note:
(1) *The table is in the order of high operating income to low operating income basis Financial Year 2022 figures*
(2) *Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis*
(3) *EBITDA values do not include the non-operating income for the company and are adjusted for gain or loss from foreign exchange fluctuations*
(4) *EBITDA margin = EBITDA / Operating income*

The table below sets forth a comparison of our profit after tax margin with competitors in the writing and creative instruments industry, for the periods indicated:

PAT margin (%)	**Financial Year**					
	2017	**2018**	**2019**	**2020**	**2021**	**2022**
Hindustan Pencils	0.5	0.3	0.9	0.9	(1.1)	0.9
DOMS	6.1	5.8	5.6	5.7	(1.5)	2.5
Flair	**12.0**	**8.6**	**9.0**	**5.2**	**0.3**	**9.6**
Camlin	0.2	1.4	2.2	0.7	(3.6)	(0.9)
BIC Cello	(25.1)	(19.4)	(34.0)	(16.9)	(81.4)	(39.9)
Linc	4.8	2.3	1.5	4.8	0.0	2.3
Luxor	1.0	1.4	1.4	0.4	(4.1)	(1.5)
Reynolds	(67.3)	(14.5)	(10.0)	(5.8)	(1.1)	5.0

Source: CRISIL Report
Note:
(1) *The table is in the order of high operating income to low operating income basis Financial Year 2022 figures*
(2) *Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis*

The table below sets forth a comparison of our ROCE and ROE with competitors in the writing and creative instruments industry, as of March 31, 2022:

Financial Year 2022	**ROCE (%)**	**ROE (%)**
Hindustan Pencils	9.3	5.2
DOMS	10.2	6.9
Flair	**19.6**	**19.2**
Camlin	(0.2)	(2.0)
BIC Cello	(37.6)	(38.3)
Linc	7.8	5.9
Luxor	1.5	(5.4)

Financial Year 2022	ROCE (%)	ROE (%)
Reynolds	6.8	6.2

Source: CRISIL Report
Note:
(1) *The table is in the order of high operating income to low operating income basis Financial Year 2022 figures*
(2) *Values for Hindustan Pencils, DOMS, Flair and Luxor are considered on consolidated basis and the rest on standalone basis*

The table below sets forth certain key operational indicators as of the dates and for the periods indicated:

S. No.	Metric	As of and for the Fiscal		
		2023	2022	2021
1.	Number of pens sold (cumulative for the Financial Year) (in million)	1,303.60	964.30	628.38
2.	Number of distributors/dealers	7,754	7,307	5,638
3.	Number of wholesalers/retailers	315,000	235,000	180,000

For details of our key performance indicators, see "—*Key Performance Indicators*" on page 179.

Our Strategy

With a view to consolidate our leadership position in the writing instruments industry by attaining maximum customer satisfaction, we continuously strive for innovation and focus on product design and quality manufacturing. The main elements of our business strategy are as follows:

Focus on growing our existing product portfolio and diversification of our product range

We have a wide range of product offerings and, as a result, we have the ability to scale-up or refine a specific product line in response to market demands and the evolving consumer base. According to CRISIL, government measures to improve literacy such as the introduction of the National Educational Policy and the increasing spend on education by the government is likely to increase the demand for writing and creative instruments. In addition, the growing share of young population in India and growth in the Indian MSME sector workforce coupled with increasing literacy level, the shift in consumer trends towards premiumization and people returning to offices post COVID-19 pandemic, is expected to increase the writing instruments and stationery market size, according to CRISIL.

While most brands are present across price segments (mass market and high value), expansion within each segment has become crucial to tap demand at different price points, according to CRISIL. We aim to strengthen and expand our existing product portfolio with a focus on "ZOOX" pens, "Flair Creatives", range of houseware products and steel bottles, by leveraging the "Flair", "Hauser" and "Pierre Cardin" brands to create customer base for such businesses. We launched 71 mid-premium and premium pen and stationery products in the Financial Year 2023.

According to CRISIL, COVID-19 has brought a behavioural shift among the end user of the industry which has resulted in a focus on extracurricular activities in addition to conventional education presenting an opportunity for organized players to introduce different products with standalone and bundled offerings, supporting their recovery and growth post COVID-19. Accordingly, we introduced a range of "Flair Creative" products in January 2021 by leveraging strengths of our Flair brand and widespread sales and distribution network. "Flair Creative" products contributed ₹1,125.72 million to our revenue from operations for the Financial Year 2023. We intend to further 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 consumer base which would include students in younger age groups. We believe that our continued focus towards cost efficient manufacturing and adopting new technologies with focus on product quality and process improvement and an aggressive distribution and marketing strategy, will help us have a competitive advantage across the industry in India and globally and assist in continuing to maintain our position in the writing instruments industry.

Emphasis on Mid-premium Segment and Premium Segment to increase margins

We intend to focus on increasing the sales of our Mid-premium Segment and Premium Segment products, particularly our "Flair", "Hauser" and "ZOOX" products which are priced between ₹20 and ₹100, and our "Pierre Cardin" products which are priced ₹100 onwards. Such products achieve better margins and 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. According to CRISIL, during the Financial Years 2018 and 2023, writing and creative instruments industry experienced price growth across various segments attributed to the shift in consumer trend towards premiumisation and the adoption of product categories such as art and hobby. We launched 71 mid-premium and premium pen and stationery products in the Financial Year 2023. 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 under our various brands and further foray into creative range of products including water colours, crayons, sketch pens, erasers, wooden pencils and geometry boxes.

We also intend to expand our corporate gifting business comprising higher-margin products customized according to the requirements of our corporate customers and have deployed dedicated sales teams in various cities in India in this regard. According to CRISIL, writing and creative instruments such as pens and drawing kits have become choices for meaningful and practical gifts across age groups. To enhance our corporate gifting business, we have installed laser engraving and multi-colour printing machines at our manufacturing plant located in Daman.

Continue to increase production capacity and enhance capacity utilization

We aim to continue to be the largest player in the pens writing instruments segment in India. Our manufacturing plants (other than our plant in Naigaon, Maharashtra) had a combined production capacity of 2,023.68 million pieces per annum, as of March 31, 2023, and a capacity utilization of 72.82% in the Financial Year 2023, according to the Chartered Engineer, pursuant to the certificate dated July 12, 2023. According to CRISIL, the key seven organized players, including our Company, are expected to continue the growth momentum and grow at a CAGR of 7.7-8.4% between Financial Years 2023 and 2028 which is expected to be driven by factors such as a rise in literacy rates and government initiatives towards education. In order to enhance our competitive position in the writing and creative instruments sector, we constantly strive to enhance cost efficiencies to provide control over the critical components in the manufacturing process while controlling costs and improving margins. Our manufacturing facilities are located across various states and union territories in India which give us an advantage in terms of availability of quality labour, adequate power, state government incentives and spreading our concentration risks in one geography. We aim to develop innovative technology and focus on innovative designing and automation across all segments that will allow us to lead in the writing and creative instruments market.

We also intend to further 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. We seek to increase production volumes pursuant to higher capacity utilization without a corresponding increase in fixed costs in order to improve our margins.

We intend to utilize a portion of the proceeds from this Offer for funding capital expenditure of our Company to set up a new manufacturing facility at District Valsad, Gujarat and purchase of machinery, moulds, equipment, technology, among other things, which will benefit our Company by increasing our overall manufacturing capacities for our existing products and enhance our competitive position in the writing and creative instruments sectors. The proceeds from this Offer will also be utilized towards funding capital expenditure of FWEPL for purchase of machinery and moulds to expand its manufacturing capacity for writing instruments. For further details, see "*Objects of the Offer*" on page 96.

Strengthening presence in key geographies along with strategically expanding exports

We intend to leverage our leading 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 have established long-term relationships with international companies for which we manufacture and distribute or are a contract manufacturer and our relationship with our five largest customers (in terms of their contribution to our total revenue from operations for the Financial Year 2023), located in U.S., United Arab Emirates, Yemen, Japan and Colombia averaged approximately 15 years. Such customers were located in our key export destinations such as U.S., United Arab Emirates, Yemen, Colombia and Japan. Our revenue from operations derived from the sale of products (exports) increased by 70.75% to ₹1,847.05 million in Financial Year 2023 from ₹1,081.71 million in Financial Year 2021, primarily due to increase in exchange rates and entering new countries after relaxation of COVID-19 restrictions. We also benefit from adverse exchange rate fluctuations since the pricing of our products is typically in USD.

We seek to expand the market for our products particularly in markets where we can extract higher margins such as Africa, Central America and South America. We also aim to further increase sales of the "Pierre Cardin" and "ZOOX" brands of pens in the Middle East markets through our distribution network and plan to increase export sales for "Hauser" brand of writing instruments through relationships with distributors. We also intend to increase exports of our branded products as compared with our OEM products by tapping global markets such as the U.S. through e-commerce sales. We further plan on capitalizing "China Plus One" strategy and are positioned to become the model partner for international brands in the writing instruments industry.

Deepen our sales and distribution network

According to CRISIL, 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, according to CRISIL. 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 across all zones of India with a focus on Eastern and Western zones in India. 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 use the field force 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 or retailers and direct ordering of products. In addition, we use the distribution management system (DMS).

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.

Further strengthen our brands

We have consistently allocated significant resources to establish and strengthen our flagship brand "Flair" and our principal brand "Hauser" through various marketing initiatives. We aim to further increase the visibility of our "Flair Creative" range of products and our "Pierre Cardin" and "ZOOX" brands, in India and globally. We believe that having a strong recognizable brand is a key attribute in our business, which will help us attract and retain customers, increases customer confidence and influences purchase decisions. While some of our brands are well established, we seek to continue to enhance brand awareness and customer loyalty through mass media activities include brand ambassadors and celebrity endorsements, television and print advertisements and social media outreach and direct outreach activities comprise billboards, posters, danglers, streamers, catalogues and pamphlets. In Financial Year 2023, 2022 and 2021, our advertisement and sales promotion expenses were ₹120.81 million, ₹46.34 million and ₹17.95 million, or 1.28%, 0.80% and 0.60%, of our revenue from operations, respectively. We are also in the process of launching advertisement campaigns through celebrity endorsements for our "Flair" brand.

Description of our Business

We manufacture and distribute writing instruments for sale in India and abroad under our flagship brand "Flair", our principal brands "Hauser" and "Pierre Cardin" and have recently introduced "ZOOX" in India. We also manufacture writing instruments under contract on an OEM basis for international companies for export and for sale in India. We have also launched a range of creative and stationery products under the "Flair Creative" brand primarily for sale in India and have recently commenced export of the products under this brand. We manufacture and distribute calculators under the “Flair” brand. We further manufacture and distribute houseware products and have recently commissioned manufacturing of steel bottles through our one of our Subsidiaries.

Details of revenue from operations from sale of products for the periods indicated, are set out below:

Particulars	**Revenue from sale of products for the Financial Year**					
	2023		**2022**		**2021**	
	(in ₹ million)	*(in %)*	*(in ₹ million)*	*(in %)*	*(in ₹ million)*	*(in %)*
Sale of products (domestic)	7,478.21	79.33	4,342.05	75.20	1,824.01	61.21
Sale of products (exports)	1,847.05	19.59	1,345.64	23.31	1,081.71	36.30

Brands and Products

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 got converted into our present Company in 2016.

As of March 31, 2023, our product offering under the “Flair” brand comprised plastic and metal pens (ball pens, fountain pens, gel pens, roller pens and metal pens), which is our largest category in terms of number of products offered, stationery products (mechanical pencils, highlighters, correction pens, markers, gel crayons and kids’ stationery kits), calculators, houseware products and steel bottles. Our creative range of products include water colours, crayons, sketch pens, erasers, wooden pencils and geometry boxes, fine liners, sharpeners and scales. Price points for pens in this brand range from ₹5 to ₹250 and the brand has market offerings of over 806 SKUs, as of March 31, 2023, to cater to a wide range of customers across India and in the exports market. The highest selling “Flair” products in terms of revenue for the Financial Year 2023 were the “Ezee-Click Ball Pen” and the “Writometer”.

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Flair stationery products

Flair Pens

Flair Creative

Hauser

We are offering "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. Pursuant to the license agreement dated October 27, 2014, 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 March 31, 2023, our product offering under the "Hauser" brand comprised metal and plastic pens (ball pens, fountain 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 ₹6 to ₹325. The highest selling "Hauser" products in terms of revenue for the Financial Year 2023 were the "XO Ball Pen" (with crossed sales of 20 million units of pens in the month of March 2023) and the "Sonic Gel Pen".

Hauser Pens

Pierre Cardin

We are offering "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 dated December 1, 1994, with PCL S.A. Pursuant to exclusive brand authorisation arrangements entered into with PCL S.A., our Company has recently commenced the export of "Pierre Cardin" products to certain countries which is subject to payment of a commission.

As of March 31, 2023, our product offering under the "Pierre Cardin" brand comprised ball pens, fountain pens, roller pens, mechanical pencils and gift sets. This brand targets premium segment consumers, including professionals and offices. Price points for pens in this brand range from ₹50 to ₹3,000. The highest selling "Pierre Cardin" products in terms of revenue for the Financial Year 2023 were the "Golden Eye Roller Pen" and the "Lapaz Ball Pen", which are shown below:

Pierre Cardin Golden Eye Roller Pen

Pierre Cardin Lapaz Ball Pen

Other Brands

We also offer products under our other brand "ZOOX", a mid- premium category pen brand. We are also a distributor of "ZIG" pens of Japan in India.

The highest selling "ZOOX" products in terms of revenue for the Financial Year 2023 were the "ZOOX F7" and the "ZOOX Y7", respectively, which are shown below:

ZOOX F7

ZOOX Y7

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 dedicated laser engraving and multi-colour printing machines.

Houseware Products

As of March 31, 2023, our product offering for our houseware products comprised casseroles, bottles, storage containers, serving solutions, cleaning solutions and basket and paper bins. We manufacture and distribute such products through one of our Subsidiaries, FWEPL. We intend on leveraging the "Flair" brand by rolling out a range of additional houseware products in India and are in the process of expanding the team under this segment.

Casseroles

Baskets

Plastic Bottles

Storage Containers

Paper Bins

Steel Bottles

We offer steel bottles which comprise single and double vacuum layers and are available with suitable customisation in design and sizes. We have received orders from one of our key OEM customers with whom our Company has a relationship of more than 15 years. One manufacturing line has been commissioned in the month of March 2023, according to the Chartered Engineer, pursuant to the certificate dated July 12, 2023. We intend on commissioning two more manufacturing lines during the second half of Financial Year 2024. Out of the three lines, two lines are proposed to be dedicated to OEM customer and one line is proposed to be dedicated for manufacturing and sale in India and for exports under our brands. The Indian steel bottle industry is primarily reliant on imports for its manufacturing needs, with a limited number of companies engaged in in-house production and a substantial presence of importers according to the CRISIL. Accordingly, in line with the "Make in India" initiative launched by the Government of India, we propose to leverage the "Flair" brand to create customer base for this business since the target customer is similar to that of writing instruments in India. We manufacture and intend to export such products through one of our Subsidiaries, FCIPL. For manufacturing and sale in India, FCIPL proposes to use the distribution and marketing strength of the Company.

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Hexa

Scuba

Spark

Exports

We export our products to be sold outside India. As of March 31, 2023, our products were sold by us and our distributors in 97 countries. In the Financial Years 2023, 2022 and 2021, 19.59%, 23.31%, 36.30% respectively, of our revenue from operations were derived from sale of products (exports). In the Financial Year 2023, our top five export countries were the U.S., United Arab Emirates, Yemen, Colombia and Japan. We have a team of sales and marketing employees to aid our exports.

In recognition of our export efforts, we have been accorded the status of a ‘two 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 March 31, 2026. For details in relation to awards received for our leading position in the export business for our writing and creative instruments, see “*History and Certain Corporate Matters—Awards, Certifications and Recognitions*” on page 199. 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 “ZOOX” writing instruments and other stationery products under “Flair Creative”. We typically appoint a distributor for a particular brand in each country or region.

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. Our OEM business is a significant contributor to our revenue from operations and constituted 19.94%, 33.37% and 38.67%to our revenue from operations in the Financial Years 2023, 2022 and 2021, respectively.

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. In the last 15 years, our key OEM customers have regularly renewed their contracts with us, demonstrating our ability to forge long-term relationships.

Key Performance Indicators

We utilize a set of financial and non-financial key performance indicators that our management reviews in evaluating the performance of our business. Our management believes that the presentation of these key performance indicators in this Draft Red Herring Prospectus are important to understanding our performance from period to period and also have an impact on our results of operations. These key performance indicators may or may not be compatible with similarly-titled metrics presented by others operating in our industry. These indicators are not intended to be a substitute for, or superior to, any measures of performance prepared in accordance with Ind AS, and may not fully reflect our financial performance, liquidity, profitability or cash flows.

Also see "*Risk Factors—We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operating and financial performance in this Draft 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 54.

The table below sets forth certain key financial performance indicators as of and for the periods indicated.

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

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 profit after tax by average of closing Net Worth during that year and the previous year*

(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 direct cost (including cost of goods sold and other direct expenses) 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 Receivables 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*

For further information, see "*Basis for Offer Price*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 120 and 318, respectively.

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 Valsad, Gujarat; Naigaon, Maharashtra; Daman, Union Territory of Dadra and Nagar Haveli and Daman and Diu; and Dehradun, Uttarakhand.

A flow chart describing the manufacturing process for our plastic writing instruments is set out below.

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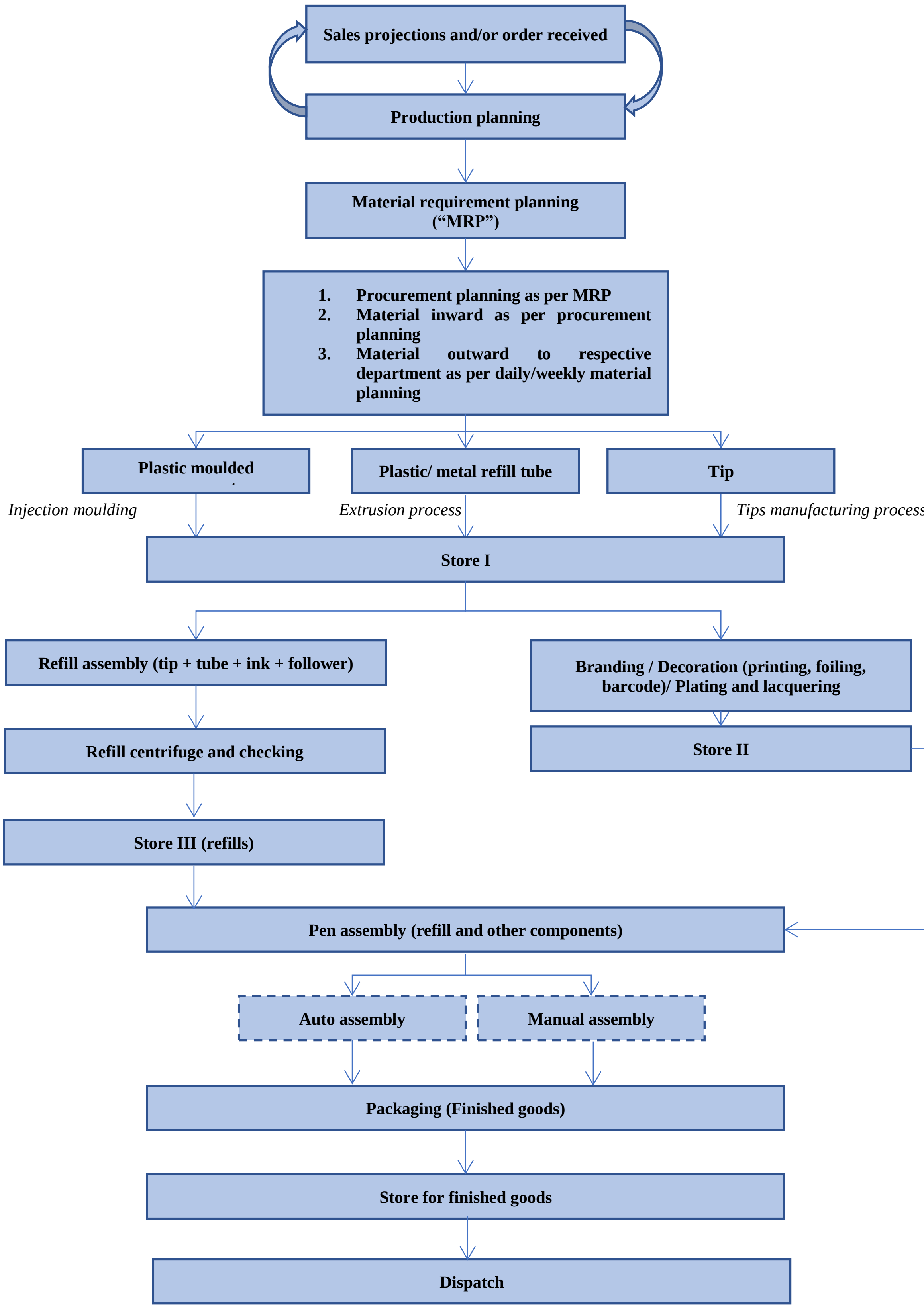
Manufacturing Process for Writing Instruments



Manufacturing Facilities and Other Properties

Our facilities include 11 manufacturing plants in India, including three plants in Valsad, Gujarat ("**Valsad Building-II**", "**Valsad Building-III**" and "**Valsad Building-IV**"), one plant in Naigaon, Maharashtra ("**Naigaon Unit-I**"), five plants in Daman, Union Territory of Dadra and Nagar Haveli and Daman and Diu ("**Daman Unit-II**", "**Daman Unit-III**", "**Daman Unit-IV**", "**Daman Unit-V**" and "**Daman Agrawal Unit**") and two plants in Dehradun, Uttarakhand ("**Dehradun Unit-I**" and "**Dehradun Unit-II**"). While our Company runs manufacturing operations from Valsad Building-II, our Subsidiary, FWEPL, operates Valsad Building-III and our Subsidiary, FCIPL, operates Valsad Building-IV.

Dehradun Unit-I and Dehradun Unit-II

Valsad Building-II and Valsad Building-III

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, Daman Unit-V, Daman Agrawal Unit, Dehradun Unit-I, Dehradun Unit-II, Valsad Building-II, Valsad Building-III and Valsad Building-IV.

The following table sets forth certain details with respect to our current manufacturing plants:

Unit/Building	Operated by	Description	Nature of Interest	Details of Lease/ Leave and License Agreement	Certifications	Products Manufactured
Valsad, Gujarat						
Valsad Building-II	FWIL	• Area: 75,024.46 sq. ft. • Unit set up in July 2018	Land leased from the Promoters	Lease deed dated October 16, 2017, amended pursuant to deed of rectification dated August 12, 2021, valid until October 15, 2042	ISO 9001:2015 and ISO 14001:2015, valid until June 10, 2024	Writing instruments
Valsad Building-III	FWEPL	• Area: 100,000 sq. ft. • Unit set up in December 2019	Licensed from our Company(1)	Rent agreement dated March 10, 2023, valid until January 1, 2028	-	Writing instruments
	FWEPL	• Area: 40,000 sq. ft. • Unit set up in December 2019	Licensed from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	Rent agreement March 10, 2023, valid until March 1, 2028	-	Household

Unit/Building	Operated by	Description	Nature of Interest	Details of Lease/ Leave and License Agreement	Certifications	Products Manufactured
Valsad Building-IV	FCIPL	• Area: 45,000 sq. ft. • Unit set up in December 2022(2)	Licensed from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	Rent agreement dated March 10, 2023, valid until March 1, 2028	-	Steel bottles
Naigaon, Maharashtra						
Naigaon Unit-I	FWIL	• Area: 94,510 sq. ft. • Unit set up in August 2015	Licensed from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	Leave and license agreement dated April 5, 2023, valid until April 1, 2028	ISO 9001:2015 and ISO 14001:2015, valid until June 10, 2024	Metal pens, calculators
Daman, Dadra and Nagar Haveli and Daman and Diu						
Daman Unit-II	FWIL	• Area: 66,467.14 sq. ft. • Unit set up in May 2005	Owned	N.A.	ISO 9001:2015 and ISO 14001:2015, valid until June 10, 2024	Writing instruments/ creative products
Daman Unit-III	FWIL	• Area: 51,273.56 sq. ft. • Unit set up in December 2002	Licensed from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	Leave and license agreement dated April 5, 2023, valid until April 1, 2028	ISO 9001:2015 and ISO 14001:2015, valid until June 10, 2024	Writing instruments
Daman Unit-IV	FWIL	• Area: 94,399.49 sq. ft. • Unit set up in March 2016	Owned	N.A.	ISO 9001:2015 and ISO 14001:2015, valid until June 10, 2024	Writing instruments/ creative products
Daman Unit-V	FWIL	• Commencement of production: Yet to commence(3)	Leased from Mr. Ajay Kumar Bhikubhai Desai	Leave and license agreements dated May 19, 2023, valid till May 30, 2025	-	Creative products
	FWIL	• Commencement of production: Yet to commence(3)	Leased from Mrs. Rupal Ajay Desai	Leave and license agreements dated May 19, 2023, valid till May 30, 2025	-	
Daman Agrawal Unit	FWEPL	• Area: 12,838.87 sq. ft. • Unit set up in February 2023	Licensed from M/s. Flair Writing Aids	Lease agreement dated November 28, 2022, amended pursuant to letter dated March 24, 2023, valid	-	Household

Unit/Building	Operated by	Description	Nature of Interest	Details of Lease/ Leave and License Agreement	Certifications	Products Manufactured
				until December 2027		
Dehradun, Uttarakhand						
Dehradun Unit-I	FWIL	• Area: 55,000 sq. ft. • Unit set up in April 2009	Licensed from Flair Pens Limited, a member of the Promoter Group	Leave and license agreement dated April 5, 2023, valid until April 1, 2028	ISO 9001:2015 and ISO 14001:2015, valid until June 10, 2024	Writing instruments
Dehradun Unit-II	FWIL	• Area: 44,906 sq. ft. • Unit set up in June 2011	Licensed from Flair Pens Limited, a member of the Promoter Group	Leave and license agreement dated April 5, 2023, valid until April 1, 2028	ISO 9001:2015 and ISO 14001:2015, valid until June 10, 2024	Writing instruments

Note: For details on the material licenses and approvals obtained in relation to the above manufacturing plants, see "Government and Other Approvals" on page 365.
(1) Our Company has leased the building constructed on such land to our Subsidiary, FWEPL.
(2) As on the date of this Draft Red Herring Prospectus, our Subsidiary, FCIPL has commissioned one manufacturing line in the month of March 2023 at Valsad Building-IV, according to the Chartered Engineer, pursuant to the certificate dated July 12, 2023 and we intend on commissioning two more manufacturing lines during the second half of Financial Year 2024.
(3) As on the date of this Draft Red Herring Prospectus, our Company has submitted an application to obtain consent to establish in order to commence production at Daman Unit-V.

The respective leases for our manufacturing facilities, offices, godowns and guesthouses have a term ranging between one year and 25 years. Further, our Company has leased certain godowns, office premises and a guesthouse from certain related parties.

The Registered Office of our Company located at 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai – 400 067, Maharashtra, is also the registered office of our Subsidiary, FCIPL and has 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/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*" on page 49.

All the plants specified above and the machinery therein are owned and operated by our Company and its Subsidiaries, 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.

As of March 31, 2023, we have the capacity to manufacture all our writing instruments at all our manufacturing plants (other than our plant in Naigaon, Maharashtra, where primarily metal-based writing instruments and calculators are manually assembled).

Production Capacity and Capacity Utilization

The following table sets forth the installed capacity of our manufacturing plants (excluding Daman Unit-V which is yet to commence operations as of the date of this Draft Red Herring Prospectus) as of March 31, 2023, March 31, 2022 and March 31, 2021 and the actual production and capacity utilization for the Financial Years 2023, 2022 and 2021, as certified by the Chartered Engineer, pursuant to the certificate dated July 12, 2023:

Manufacturing facility	Annual Installed capacity as of March 31,			Effective Capacity[1] available during the Financial Year			Capacity utilization in Financial Year[2]			Effective Capacity[1] utilization in Financial Year		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
	(in million pieces)			*(in million pieces)*			*(%)*			*(%)*		
Naigaon, Maharashtra												
Naigaon Unit-I	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]
Daman, Dadra and Nagar Haveli and Daman and Diu												
Daman Unit-II	366.00	305.00	305.00	366.00	305.00	305.00	83.06	49.39	26.33	83.06	49.39	26.33
Daman Unit-III	179.95	167.75	167.75	179.95	167.75	159.05	77.09	48.69	23.87	77.09	48.69	25.18
Daman Unit-IV	466.65	457.50	457.50	466.65	457.50	457.50	86.14	48.88	33.72	86.14	48.88	33.72
Daman Agrawal Unit	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]
Daman Unit-V	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]
Dehradun, Uttarakhand												
Dehradun Unit-I	244.00	244.00	244.00	244.00	244.00	244.00	85.79	67.38	28.02	85.79	67.38	28.02
Dehradun Unit-II	190.63	188.49	188.49	190.63	188.49	188.49	86.70	85.14	63.01	86.70	85.14	63.01
Valsad, Gujarat												
Valsad Building-II	370.58	370.58	335.50	370.58	370.58	335.50	46.96	71.02	32.88	46.96	71.02	32.88
Valsad Building-III	205.88	122.00	61.00	160.53	71.17	61.00	39.07[4]	32.51[4]	31.69	50.11[4]	55.73[4]	31.69
Valsad Building-IV	1.44	-	-	0.12	-	-	NIL	-	-	NIL	-	-

[1]Effective capacity means actual available capacity of the machines and moulds for the year which can be put to use. For example, a machine installed in March 2023 will have an annual installed capacity of 100 units while the effective capacity would only be 1/12 x 100 = 8.33 units.
[2] 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.
[3]Not applicable as certain writing instruments and calculators are manually assembled at Naigaon Unit-I.
[4] Given the wide range of colours and different moulds for a vast range of products coupled with several complex components, our Company can only achieve capacity utilization in the range of 70% to 80%.
[5]Not applicable as volume of items manufactured is negligible at Daman Agarwal Unit as of the date of this Draft Red Herring Prospectus.
[6]Not applicable as the unit is not yet operational as of the date of this Draft Red Herring Prospectus.

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 the Chartered Engineer, pursuant to the certificate dated July 12, 2023: (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 51.

Our plants include moulds, injection moulding machines, blow moulding machines, compression 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, polyurethane (PU) filling machine, laser engraving machine, wielding machines, rolling machines, bending machines, water bulging machines, sand blasting machines, automatic and semi-automatic assembly machines. 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 96.

We believe that our application of innovative designs, combined with investments in advanced capital equipment, has led to high product quality at competitive pricing and low defect rates.

Raw Material and Utilities

The raw material used by us primarily includes plastic powder, metal parts, metal coils, silicon, ink, tips, followers, packaging material, wax material and foil. We also use capital goods such as moulds, tip machines, assembly machines, packing machines, refill machines and moulding machines, which are procured within India and also imported by us from countries such as Germany, South Korea, China, 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. Our Company has had long-term relationships of 15 years or more with several of our key suppliers. Also see "*Risk Factors—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 financials results*" on page 38. We believe that stringent internal controls, including strong inventory and project management systems enable us to provide high customer service levels.

We consume electricity and water for our manufacturing process, which we source from local utility providers and state and private owned electricity distribution companies, respectively. For the Financial Years 2023, 2022 and 2021, our power and fuel expenses were ₹199.35 million, ₹139.39 million and ₹84.41 million respectively, constituting2.51%, 2.71% and 2.73%, respectively, of our total expenses.

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, refill assembly, 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.

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. Compared with other key organized players in the writing and creative instruments industry such as DOMS, Camlin, Linc and Luxor, our Company had the largest distributor/dealer network and wholesale/retailer network, in the writing instruments segment in India, according to CRISIL, comprising approximately 7,700 distributors/dealers and approximately 315,000 wholesalers/retailers, as of March 31, 2023. As of March 31, 2023, we also had 131 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 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 2023, the top two super-stockists accounted for 5.29% and 3.59% respectively, of our sale of products (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 March 31, 2023, we had a retail presence in 2,387 cities, towns and villages across India.

As of March 31, 2023, we employed 900 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 the field force application that enables tracking and ordering of secondary sales and direct ordering of products and are also using distribution management system (DMS). This also limits market cannibalization of our products and helps us to gauge performance at the retailer level based on historical sales figures. 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 and celebrity endorsements, television and print advertisements and social media outreach. The direct outreach activities comprise billboards, posters, danglers, streamers, catalogues and pamphlets. In Financial Year 2023, 2022 and 2021, our advertisement and sales promotion expenses were ₹120.81 million, ₹46.34 million and ₹17.95 million, or 1.28%, 0.80% and 0.60%, of our revenue from operations, respectively

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 “Flair Creative”, 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 19 countries in North America. As of March 31, 2023, we had relationships with 54 international distributors for the distribution and sale of our products abroad. As of March 31, 2023, our products were sold by us and our distributors in 97 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 31.

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. 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 and our rebranded corporate logo, "Flair" (word and device), under class 16.

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 registered the trademarks in relation to our other in-house brand, "ZOOX".

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, while certain trademarks including "FLAIR (WORD)", "FLAIR4U", "FLAIR V2" and "FLAIR 3 ACTION" have been transferred in our Company's name, certain other trademarks are yet to be transferred in our Company's name. Also see "*Our Promoters and Promoter Group*" on page 227.

As of the date of this Draft Red Herring Prospectus, our Company has registered 144 trademarks in India. Further, we have filed 19 applications in India for registration of various 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, the United Kingdom, China and Australia. Our applications in relation to certain trademarks including "BEAST" and "FLAIRFUN" under class 16 are currently pending in India.

Additionally, we have also registered 56 designs in India under the Designs Act, 2000. Further, we have filed an application for registration of one design, which is currently pending.

Also, see "*Risk Factors—As of the date of this Draft Red Herring Prospectus, 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, operations, prospects or financial results may be materially and adversely affected*" on page 36.

Environment, Health and Safety

We are subject to extensive central, state and local laws affecting the operations of our business including health, safety and environmental laws, regulations and production process safety and environmental technical guidelines which govern our processes and facilities. For further information in relation to the various laws applicable in relation to our business operations, see "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 191 and 365, respectively.

As on March 31, 2023, a majority of our operational manufacturing plants are ISO 9001:2015 certified and ISO 14001:2015 certified. We have received certification from Bureau of Indian Standards in relation to certain products including wax crayons, oil pastels and plastic crayons for our creative range. We take initiatives to reduce the risk of accidents at our manufacturing facilities including by conducting 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 have a code of conduct which allows employees to report to the management, any incidents that adversely affect the environment, health and safety of employees. Our Board has also adopted a vigil mechanism and whistle blower policy.

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, companies generally find it difficult to increase prices of products targeted at students considering that any increase in prices (deviation from denominations that are in multiples of five) may shift demand to some other brand, 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 Indian writing and creative instruments industry include BIC Cello, Camlin, DOMS, Hindustan Pencils, Linc, Luxor and Reynolds, according to CRISIL. Our key competitors in the Indian homeware industry include Borosil Limited, Cello Household Products Private Limited, Hamilton Housewares Private Limited and Placero International Private Limited, according to CRISIL. Certain such competitors may have greater financial resources, technology, research and manufacturing capability and greater market penetration, and their brands may be more well-known than our brand in some segments.

Our competitors also include Pentel Stationery (India) Private Limited, a Group Company and a Promoter Group entity of our Company. For details, see "*Risk Factors—We are dependent on the Promoters, the Directors, the Promoter Group and the Group Companies for certain aspects of our business and operations, and certain Directors, 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 43. Certain other entities that previously manufactured "Flair" and other brands of writing instruments 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 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.

Employees

As of March 31, 2023, we had 5,622 full-time employees of which 3,149 were woman employees, which formed approximately 56% of the total workforce in our Company. After excluding employees in our sales and marketing team, our woman employees constituted approximately 67% of the total workforce in our Company.



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, 2023	**March 31, 2022**	**March 31, 2021**
Administration	137	91	157
Production	4,585	4,657	3,388
Sales and marketing	900	736	611
Total	5,622	5,484	4,156

As of March 31, 2023, we also employed 1,098 persons as contract labour, primarily for manufacturing activities at our Valsad and Dehradun manufacturing plants.

Insurance

As part of our contractual obligations and regulatory requirements, we are required to maintain certain types of insurance coverage. Our principal coverage includes insurance in respect of our manufacturing facilities in Naigaon, Daman, Dehradun and Valsad, our assets and stock, machinery and goods in transit. As of March 31, 2023, we had the following types of insurance: (i) standard fire and special perils insurance; (ii) comprehensive general liability insurance; (iii) marine import and export insurance; (iv) workman compensation insurance; (v) directors' and officers' liability insurance; and (vi) National Bharat Sookshama Udyam Suraksha policy, 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 46.

Corporate Social Responsibility

Our Company has adopted a corporate social responsibility policy ("**CSR Policy**") in accordance with the requirements of applicable law. Our Board has also constituted a CSR Committee. For details, see "*Our Management—Corporate Governance—Committees of our Board*" on page 216.

Our CSR Policy is aimed at demonstrating care for the community and our commitment to create social value. Our Company has undertaken various active CSR initiatives to contribute to the community where we have operations. We see our CSR strategy as a means of further aligning our business to global sustainable development agenda.

The CSR activities undertaken by our Company are focussed towards education, vocational training and basic healthcare and hygiene. As part of these efforts, we had provided donation support to several organisations including Child Protection Society towards Dadra and Nagar Haveli and Daman and Diu Juvenile Justice Board and KK Wagh Education Society, Nashik, Maharashtra, towards funds for construction of school building. We have also provided donations to Khetlaji Mandal Aadarsh Vidyalaya, Jaipur and Shree Bhairav Seva Samiti, Bhiwandi, Maharashtra, for food expenses of students.

Further, during the COVID-19 pandemic, in order to support online education, we had pledged to distribute laptops to students from tribal and minority communities studying at Swayam Sidhi Degree College operated by Swayam Sidhi Mitra Sangh, Bhiwandi. As of March 31, 2023, we have distributed 2,497 laptops, pursuant to this initiative.

KEY 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 our Subsidiaries. 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. The statements below are based on the current provisions of Indian law, which are subject to amendments or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions. Changing laws, rules and regulations and legal uncertainties, adverse application, or interpretation of corporate and tax laws, may adversely affect our business, prospects and results of operations.

Under the provisions of various Central Government and State Government statutes and legislations, we are required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details of such key licenses and registration required to be obtained by our Company, see "Government and Other Approvals" on page 365.

A. Laws relating to our business and operations

The Consumer Protection Act, 2019 (the "Consumer Protection Act") and rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was enacted with the aim to provide better protection of interests of consumers and facilitate efficient resolution of consumer disputes. It seeks, *inter alia*, to protect the interests of consumers against deficiencies, defects in goods or services and unfair trade practices. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It further sets out situations where a claim for compensation would be available for harm including, (i) damage to any property, other than the product itself; (ii) personal injury, illness or death; and (iii) mental agony or emotional distress.

The Consumer Protection Act defines consumer rights to include the right to be protected against marketing of goods products or services which are hazardous to life and property, right to be informed about quality and standard of goods, products and services in order to protect the consumer against unfair trade practices, right to seek redressal against unfair or restrictive trade practices or unscrupulous exploitation of consumers as well as the right to consumer awareness. The scope of unfair trade practices has been expanded to include representations or statements by means of electronic records. The Consumer Protection Act further provides for the establishment of consumer protection councils, a consumer protection authority, and consumer disputes redressal commissions, and lays down scope of powers and responsibilities of all such bodies. It also provides for mediation as an alternate dispute resolution mechanism for the resolution of consumer disputes and makes provisions for the establishment of a consumer mediation cell.

The Consumer Protection Act provides for punishment of offences including non-compliance by any person with directions of the central consumer protection authority, or for false or misleading advertisement or for offences in relation to, *inter alia*, the manufacture, sale and storage of adulterants or spurious goods. Offences under the Consumer Protection Act are punishable with fines as well as imprisonment.

The Legal Metrology Act, 2009 (the "Legal Metrology Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

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 Legal Metrology (Packaged Commodity) Rules, 2011 makes it mandatory to make declarations, including the name and address of the manufacturer/packer/importer, country of origin, common or generic name of the commodity, net quantity, date of manufacture, maximum retail price on all pre-packaged commodities.

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act provides for the establishment of the Bureau of Indian Standards ("**BIS**") for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The functions of the BIS, under the BIS Act includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) enter and search places, premises or vehicles, and inspect and seize goods, articles and documents to enforce the provisions of the BIS Act; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), the Foreign Trade (Regulation) Rules, 1993 ("FTRR") and the Foreign Trade Policy 2023 ("Foreign Trade Policy")

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number ("**IEC**") granted by the director general or any other authorized person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions.

The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license.

The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect from April 1, 2023. The Foreign Trade Policy, *inter alia*, governs the import and export of goods, sets out mandatory documentation required for the import and export of goods, principles of restriction and prohibitions of trade with certain identified jurisdictions and groups. The Foreign Trade Policy also sets out a framework to promote cross border trade in the digital economy and a mechanism of settlement of complaints in connection with the quality of goods and other trade disputes.

B. 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 or (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. Further, the Trade Marks (Amendment) Act, 2010 provides for registration and protection of trademarks registered in India and certain other countries.

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 Designs Act, 2000 (the "Designs Act")

The Designs Act provides for the registration of designs. A 'design' means only the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device, and excludes property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of such design before the Controller-General of Patents, Designs and Trade Marks.

C. Laws relating to Employment

Our operations are subject to compliance with certain additional labour 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;
- Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- Equal Remuneration Act, 1976;
- Factories Act, 1948;
- Industrial Disputes Act, 1947;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Child Labour (Prohibition and Regulation) Act, 1986;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Maternity Benefit Act, 1961;
- Trade Unions Act, 1926;
- The Shops and Establishments acts of various states;
- Occupational Safety, Health and Working Conditions Code, 2020(1);
- Code on Social Security, 2020(2);
- Industrial Relations Code, 2020(3); and
- Code on Wages, 2019(4).

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(1) *The Occupational Safety, Health and Working Conditions Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different dates may be appointed for different provisions of the Occupational Safety, Health and Working Conditions Code, 2020. Once effective, it will subsume, inter alia, the Factories Act, 1948, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Contract Labour (Regulation & Abolition) Act, 1970.*

(2) *The Government of India enacted 'The Code on Social Security, 2020' which received the assent of the President of India. The provisions of this code will be brought into force on a date to be notified by the Central Government, with certain of the provisions thereunder notified already. The code proposes to subsume, inter alia, the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The Ministry of Labour and Employment, Government of India has notified the draft rules relating to Employee's Compensation under the Code on Social Security, 2020 on June 3, 2021, inviting objections and suggestions, if any, from the stakeholders. Further, draft rules under the Code on Social Security, 2020 were notified on November 13, 2020. The draft rules propose to subsume, inter alia, the Employees' State Insurance (Central)*

Rules, 1950 and the Payment of Gratuity (Central) Rules, 1972. Pursuant to notifications dated May 3, 2023, certain provisions of the Code on Social Security, 2020 have been brought into force.

(3) *The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.*

(4) *The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India. The code proposes to subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936. The provisions of this code will be brought into force on a date to be notified by the Central Government, with certain of the provisions thereunder notified already. In pursuance of the code, the Code on Wages (Central Advisory Board) Rules, 2021 have been notified, which prescribe, inter alia, the constitution and functions of the Central Advisory Board set up under the Code on Wages, 2019.*

D. Safety and Environmental Laws

Environmental Laws

E-Waste (Management) Rules, 2022 ("E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, refurbishing, dismantling, recycling and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operational. The E-Waste Rules prescribe an extended producer responsibility framework where entities are required to register on an online portal developed by the Central Pollution Control Board ("**Central PCB**") under one of the following categories: manufacturer, producer, refurbisher or recycler. The E-Waste Rules also set out, *inter alia*, responsibilities of manufacturers, producers, refurbishers and recyclers, procedure for storage of e-waste, management of solar photo-voltaic modules or panels or cells. Responsibilities of manufacturers include collection of e-waste generated during the manufacturing process and filing of annual and quarterly returns in a specified format on the portal developed by the Central PCB.

Environment (Protection) Act, 1986 ("EPA") and the Environment Protection Rules, 1986 ("EP Rules")

The EPA provides for the protection and improvement of the environment. The EPA empowers the Central Government to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution. The EPA prohibits any person carrying on any industry, operation or process from discharging, emitting or permitting to be discharged or emitted any environmental pollutant in excess of prescribed standards. Further, it requires persons handling hazardous substances to do so in accordance with such procedure, and in compliance with such safeguards, as may be prescribed.

The EP Rules prescribe the standards for emission or discharge of environmental pollutants from industries, operations or processes, for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution. The Water Act provides for the Central PCB, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act aims to prevent, control, and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. Further, persons operating an industrial plant in any air pollution control area cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards specified by the relevant state pollution control board. The Central PCB and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage, and disposal of hazardous waste by imposing certain obligations on every occupier and operator of a facility. The term "hazardous waste" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Every occupier of a facility generating hazardous waste is required to obtain authorisation from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damage caused to the environment resulting from the improper handling and management of hazardous waste and will also be required to pay a penalty imposed by the relevant state pollution control board.

E. Foreign Ownership of Indian Securities

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) ("**FDI Policy**"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others.

The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company. The FDI Policy and the FEMA Rules include restrictions on pricing, issue, transfer, valuation of shares and sources of funding for such investments, and, require prior notice to or approval of the Government of India in certain cases.

F. Other applicable laws

In addition to the above, we are required to comply with direct and indirect tax-related legislations, property laws, and other applicable laws, in the ordinary course of our day-to-day operations.

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. Sumit Rathod, Mrs. Sangita Rajesh Rathod, Mrs. Shalini Mohit Rathod and Mrs. Sonal Sumit Rathod as partners (collectively, 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.*, FPPIPL, FSPL, FPSIPL, FPP(UK)PL and FIIPL) were merged with and into our Company. For details, see "*—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years*" below on page 200.

Our Company was subsequently converted into a public limited company, consequent to which the name of our Company was changed to 'Flair Writing Industries Limited' and 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 80.

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.*

3. *To buy, sell, supply, store, stock, maintain, manufacture, trade or otherwise provide support services and deal in all kinds and varieties of Personal Protective Equipment (PPE)/Products including but not limited to Face protection, goggles and masks or face shield, gloves, gown or coverall, head cover, rubber boots, sanitizer, surgical equipments, medical devices and medical products, health products/supplements, personal care kits and instruments and other relevant items/products.*

4. *To carry on business as manufacturers, producers, fabricators, processors, stockiest, agents, importers, exporters, traders, whole sellers, distributors, or dealers in any commodities, substances, articles, merchandise, goods, and things including but not limited to all kinds of tradable products and articles etc whether solid or liquid or gaseous, acting as agents, commission agents, forwarding agents, clearing agents, distributors, warehousemen, licencees, merchants, traders, sales organisers, representatives of manufacturers of commodities, goods articles, materials and things and for that purpose to buy, to sell exchange, market, pledge, distribute, install, service, maintain, or otherwise deals in commodities, goods articles and things."*

The objects clause as contained in the Memorandum of Association enables our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association in last 10 years

The amendments to the Memorandum of Association of our Company in the 10 years immediately preceding the date of this Draft Red Herring Prospectus are as detailed below.

Date of Amendment/Share holders' 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(1)	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.
June 8, 2020	Our main objects clause was altered to include the following: "*To buy, sell, supply, store, stock, maintain, manufacture, trade or otherwise provide support services and deal in all kinds and varieties of Personal Protective Equipment (PPE)/Products including but not limited to Face protection, goggles and masks or face shield, gloves, gown or coverall, head cover, rubber boots, sanitizer, surgical equipments, medical devices and medical products, health products/supplements, personal care kits and instruments and other relevant items/products.* *To carry on business as manufacturers, producers, fabricators, processors, stockiest, agents, importers, exporters, traders, whole sellers, distributors, or dealers in any commodities, substances, articles, merchandise, goods, and things including but not limited to all kinds of tradable products and articles etc. whether solid or liquid or gaseous, acting as agents, commission agents, forwarding agents, clearing agents, distributors, warehousemen, licencees, merchants, traders, sales organisers, representatives of manufacturers of commodities, goods articles, materials and things and for that purpose to buy, to sell exchange, market, pledge, distribute, install, service, maintain, or otherwise deals in commodities, goods articles and things.*"
March 20, 2023(2)	Amendment to Clause V: Pursuant to the FDPL Scheme, the authorized share capital of Flair Distributor Private Limited was combined with and added to the authorized share capital of our Company; accordingly, the authorized share capital of our Company was increased from ₹300,000,000 divided into 30,000,000 Equity Shares of face value ₹10 each to ₹301,000,000 divided into 30,100,000 Equity Shares of face value ₹10 each.
March 20, 2023(3)	Amendment to Clause V: The authorized share capital of our Company was increased from ₹301,000,000 divided into 30,100,000 Equity Shares of face value ₹10 each to ₹550,000,000 divided into 55,000,000 Equity Shares of face value of ₹10 each.

Date of Amendment/Shareholders' Resolution	Nature of Amendment
	Amendment to Clause V: The authorized share capital of our Company was sub-divided from equity shares of face value of ₹10 each to equity shares of face value of ₹5 each.

(1) *The effective date of the Scheme was April 7, 2018. For details in relation to the Scheme, see "—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years" below on page 200.*

(2) *The effective date of the FDPL Scheme was February 17, 2023. For details in relation to the Scheme, see "—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years" below on page 200.*

(3) *As of the date of this Draft Red Herring Prospectus, Form SH-7 for increase in the authorized share capital has not been filed by our Company with the RoC due to certain technical issues with the form filing portal of the Ministry of Corporate Affairs*. Also see*, "Risk Factors – 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. We have also been delayed in filing our GST returns and payment of contribution towards employee provident fund in the past"* on page 47.

Major Events

The table below sets forth some of the major events in the history of our Company.

Calendar Year	Event
1976	"Flair" brand was registered as a trademark (word)
1998	We commenced production at one of our manufacturing units in Daman
2005	Our manufacturing unit, Daman Unit-II, was set up in Daman
2008	Introduced "Flair Calculators"
2009	Our manufacturing plant, Dehradun Unit–I, was set up in Dehradun, Uttarakhand
2011	Our manufacturing plant, Dehradun Unit–II, was set up in Dehradun, Uttarakhand
2012	We started offering "Pierre Cardin" writing products
2014	NPPI(1) acquired certain trademarks of the "Hauser" brand
2015	Our manufacturing unit, Naigaon Unit-I, was set up in Naigaon, Maharashtra
2016	Our Company was incorporated upon conversion of M/s. Flair Writing Instruments
	Our manufacturing unit, Daman Unit-IV, was set up in Daman
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(2)
	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
	Our manufacturing plant, Valsad Building-II, was set up in Valsad, Gujarat
2019	"FLAIR CREATIVE" brand was registered as a trademark (word)
	"Flair Writing Equipments Private Limited" was incorporated as a subsidiary of our Company
	Our manufacturing plant, Valsad Building-III, was set up in Valsad, Gujarat
2020	"HAUSER ARTZ" brand was registered as a trademark (word)
2021	"Flair Creative" range of products was launched
2022	"ZOOX" brand was registered as a trademark (word)
	Acquired shares of "Flair Cyrosil Industries Private Limited" and it became one of our subsidiaries
	Our manufacturing plant, Valsad Building-IV, was set up in Valsad, Gujarat
2023	The overall installed capacity of writing instruments reached 2.02 billion pieces per annum which increased from 1.29 billion pieces in 2018
	Our manufacturing plant, Daman Agarwal Unit, was set up in Daman, Dadra and Nagar Haveli and Daman and Diu
	A scheme of arrangement under Section 230 to 232 of the Companies Act, 2013 was approved by the NCLT, Mumbai Bench, pursuant to which FDPL merged with our Company(2)

(1) *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.*

(2) *For details, see "—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years" below on page 200.*

Key Awards, Accreditations and Recognitions

The table below sets forth certain key awards, accreditations, certifications and recognitions received by our Company.

Year	Award/Certification/Recognition
2021-22	Top Exporters Award to the Company for being No. 3 Exporter from the PSAI
2020-21	Award for Top Exporter to the Company from the PEPC(1) in the category for writing instruments (excluding parts)
2019-20	Top Exporters Award to the Company for being No. 2 Exporter from the PSAI
	Award for Top Exporter to the Company from the PEPC(1) in the category for writing instruments (excluding parts)
2018-19	Export Award to the Company from the PEPC(1) in the category for writing instruments (excluding parts)
	Top Exporters Award to the Company for Outstanding Export from the PSAI
2017-2018	Award for participation at the 25th India Big7 International Trade Fair
	Award for Second Best Exporter to the Company from the PEPC(1) in the category for writing instruments (excluding parts)
	Export Excellence Award to the Company for being No. 1 Exporter from the PSAI
2016-2017	Export Award (First) to FPPIPL from the PEPC(1) in the category for writing instruments
	Award for No. 1 Exporter to the Flair Group of Companies(2) from WIMO
	Export Excellence Award to the Flair Group of Companies(2) for being No. 1 Exporter from the PSAI
2015-2016	Export Excellence Award for No. 1 Exporter to FPPIPL from the BFPMTA
	Export Award (First) to FPPIPL from the PEPC(1) in the category for writing instruments
	Award for No. 1 Exporter to the Flair Group of Companies(2) from the WIMO
2014-2015	Award for No. 1 Exporter to the Flair Group of Companies(2) from the WIMO
	Export Excellence Award for No. 1 Exporter to the Flair Group of Companies(2) from the BFPMTA
	Most Valuable Brand 2014 award in the category of Gems, Jewellery and accessories from WCRC
2013-2014	Award for No. 1 Exporter to the Flair Group of Companies(2) from the WIMO
	Award for No. 2 Exporter to the Flair Group of Companies(2) from the BFPMTA
2012-2013	Award for No. 2 Exporter to the Flair Group of Companies(2) from the BFPMTA
2011-2012	Award for No. 2 Exporter to the Flair Group of Companies(2) from the BFPMTA
2010-2011	Award for No. 1 Exporter to the Flair Group of Companies(2) from the BFPMTA
2009-2010	Award for No. 1 Exporter to the Flair Group of Companies(2) from the BFPMTA
2008-2009	Award for No. 1 Exporter to the Flair Group of Companies(2) from the BFPMTA
2007-2008	Award for No. 3 Exporter to NPPI(3) from the BFPMTA
	Appreciation Memento for Admirable Export to Flair Impex Corporation(4) from the BFPMTA
	Award for No. 1 Exporter to the Flair Group of Companies(2) 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
2005-2006	Award for Second Best Exporter to NPPI in the category for writing instruments from the PEPC(1)
	Award for No. 2 Exporter to NPPI from the BFPMTA
	Award for No. 3 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 PEPC(1)
	Award for Second Best Exporter to NPPI in the category for writing instruments from the PEPC(1)
	Award for No. 2 Exporter to NPPI from the BFPMTA
2002-2003	Award for No. 2 Exporter to NPPI from the WIMO
2001-2002	Award for the Third Top Exporter to NPPI from the WIMO

Year	Award/Certification/Recognition
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
1998-1999	Award for the No. 3 Exporter to NPPI from the WIMO
1997-1998	Best Exporter Award to NPPI from the WIMO
1990-1991	Export Award to NPPI in the category for fountain pens, ball point pens and refills from the Plastics and Linoleum Export Promotion Council ("**PLEX Council**")
1989-1990	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
1987-1988	Export Award to NPPI in the category for fountain pens, ball point pens and refills from the 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
1985-1986	Export Award to NPPI in the category for fountain pens, ball point pens, sign pens, fibre tip pens *etc.* from the PLEX Council

(1) *Mr. Vimalchand Jugraj Rathod, the Managing Director of our Company, is a director of the PEPC.*
(2) *"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.*
(3) *NPPI was one of the Erstwhile Partnership Firms, which was converted into FPPIPL and merged into our Company pursuant to the Scheme.*
(4) *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.*

Other Details Regarding our Company

Significant Financial and Strategic Partners

Our Company does not have any financial and strategic partners as on the date of this Draft Red Herring Prospectus.

Defaults or Rescheduling of Borrowings from Financial Institutions/Banks

No payment defaults or rescheduling/restructuring 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.

Time and Cost Overruns

Our Company has not experienced any instances of time and cost overruns in respect of our business operations, as of the date of this Draft Red Herring Prospectus, except in the ordinary course of business.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products launched by our Company, entry into new geographies or exit from existing markets and capacity/facility creation or location of plants, to the extent applicable, see "*Our Business*" and "*Our Business—Description of our Business—Steel Bottles*" on pages 161 and 177, respectively.

Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years

Except as disclosed below, our Company has not made any material acquisitions or divestments of any business/undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets in the 10 years preceding the date of this Draft Red Herring Prospectus:

Scheme of Amalgamation among FPPIPL, FSPL, FPSIPL, FPP(UK)PL, FIIPL and our Company

Pursuant to the Scheme under Sections 230 to 232 of the Companies Act, 2013 among FPPIPL, FSPL, FPSIPL, FPP(UK)PL and FIIPL (collectively, the "**Transferor Companies**") and our Company, the entire undertakings of the Transferor Companies as going concerns, including their assets, liabilities, licenses, contracts, litigation, copyrights, trademarks, patents and any other intellectual property rights, employees, properties and benefits of all agreements, 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 80.

Scheme of Amalgamation among Flair Distributor Private Limited and our Company

Pursuant to a scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 among Flair Distributor Private Limited ("**FDPL**") and our Company, the entire undertaking of FDPL as a going concern, including its assets, liabilities, entire business, licenses, contracts, litigation, copyrights, trademarks, patents and any other intellectual property rights, employees, properties and benefits of all agreements were transferred to and vested in our Company (the "**FDPL Scheme**"). The FDPL Scheme was approved by the NCLT, Mumbai Bench pursuant to an order dated February 17, 2023 (the "**NCLT Order**"). The appointed date of the FDPL Scheme was April 1, 2020 and the effective date of the FDPL Scheme was March 20, 2023, being the date of filing the NCLT Order with the RoC.

The FDPL Scheme was undertaken to enable our Company, *inter alia*, to consolidate the business of our Company and FDPL 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 FDPL Scheme.

Upon the FDPL Scheme being effective, the authorized share capital of FDPL was combined with the authorized share capital of our Company, which stood increased to ₹301,000,000 comprising 30,100,000 Equity Shares and FDPL was dissolved without being wound up.

Since the entire equity share capital of FDPL was held by our Company, the equity shares held by our Company were extinguished.

Acquisition of shareholding in Flair Cyrosil Industries Private Limited

Our Company acquired 360,000 Equity Shares of FCIPL, pursuant to a Board resolution dated July 25, 2022, for a consideration of ₹36.00 million. Pursuant to such acquisition, our Company acquired 90% of the total paid-up capital of FCIPL and FCIPL became a subsidiary of our Company. For details, see "*—Subsidiaries—Flair Cyrosil Industries Private Limited*" on page 202.

Holding Company

Our Company does not have any holding company.

Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has two Subsidiaries (FCIPL and FWEPL), both of which are direct Subsidiaries.

1. Flair Cyrosil Industries Private Limited ("FCIPL")

Corporate Information

FCIPL was incorporated as a private limited company under the Companies Act, 2013 on June 14, 2021, with the Registrar of Companies, Maharashtra at Mumbai. Its registered office is situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai 400 067, Maharashtra, India.

FCIPL is primarily engaged in carrying on the business of, *inter alia*, manufacturers, traders, fabricators, exporters and importers of all kinds of dinnerware products, tableware products, plastic molded household articles, plastic houseware articles, etc., plastic gift packaging articles and lifestyle products, thermoware articles, insulated goods including but not limited to opal dinnerware, melamine dinnerware, melmoware, glassware, steel flasks and jars, copper series, water bottles, storage containers and jars, tiffins and lunch carriers, plastic dinnerware and ceramica, gym and sports bottles, insulated hot pots, jugs and dispensers, chillers and coolers, kitchen appliances, cookware series, and articles, stainless steel articles, toys and its spare parts, industrial molded parts etc. and to act as agents, sub-agents wholesalers, retailers, representatives, commission agents, franchisers and dealers of all kinds of opalware, tableware, dinnerware, thermoware, insulated, household, houseware and lifestyle.

Capital Structure

The authorized share capital of FCIPL is ₹100,000,000 divided into 1,000,000 equity shares of ₹100 each.

Shareholding Pattern

Name of the shareholder	Number of equity shares	Percentage of issued capital (%)
Flair Writing Industries Limited	360,000	90.00
Mr. Jatin Chadha	20,000	5.00
Mr. Ajay Sethi	20,000	5.00
Total	**400,000**	**100.00**

2. Flair Writing Equipments Private Limited ("FWEPL")

Corporate Information

FWEPL was incorporated as a private limited company under the Companies Act, 2013 on November 4, 2019, with the Registrar of Companies, Goa, Daman and Diu at Panaji. Its registered office is situated at Sr. No. 370/2-A, Daman Vapi Road, Kachigam, Nani Daman, Daman 396 210, Dadra and Nagar Haveli and Daman and Diu, India.

FWEPL is primarily engaged in carrying on the business of, *inter alia*, 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, among other things.

Capital Structure

The authorized share capital of FWEPL is ₹100,000 divided into 10,000 equity shares of ₹10 each.

Shareholding Pattern

Name of the shareholder	Number of equity shares	Percentage of issued capital (%)
Flair Writing Industries Limited	10,000[(1)]	100

(1) Mr. Khubilal Jugraj Rathod holds 10 equity shares representing 0.01% of the share capital in his capacity as a nominee shareholder of our Company

Significant Sale/Purchase between the Subsidiaries and our Company

Our Subsidiaries are 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.

Other Confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries been refused listing in the last ten years by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

Common Pursuits

There are no common pursuits between our Company and FCIPL. Our Company and FWEPL are engaged in the manufacturing and distribution of pens. Our Subsidiaries are engaged in lines of business that are similar and/or synergistic to our Company.

Business Interest in our Company

As on the date of this Draft Red Herring Prospectus, except as disclosed in the sections "*Our Business*" and "*Restated Consolidated Financial Information—Note 39*" on pages 161 and 295 respectively, our Subsidiaries do not have any business interest in our Company.

Guarantees by the Promoters

None of our Promoters have provided personal guarantees to our Company's lenders as a security.

Shareholders' Agreements and Other Agreements

Shareholders' Agreements

There are no arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter se agreements, any agreements between our Company, the Promoters and the Shareholders, agreements of like nature and clauses/ covenants which are material to our Company. Further, there are no other clauses/ covenants that are adverse or prejudicial to the interest of the minority and public shareholders of our Company.

Accumulated profits or losses

There are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company in our Restated Consolidated Financial Information.

Our associates and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any associates or joint ventures.

Agreements with Key Managerial Personnel, Senior Management, Directors, Promoters, or any other employee

Our Company has not entered into any agreements with Key Managerial Personnel, Senior Management, Directors, Promoters, or any other employee with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

Board of Directors

In accordance with the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As of the date of this Draft Red Herring Prospectus, our Board comprises 10 Directors, of which five are Whole-time Directors and five are Independent Directors (including one independent woman director).

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Name, DIN, Designation, Address, Occupation, Period of Directorship, Term and Date of Birth	Age (years)	Other Directorships
Name: Mr. Khubilal Jugraj Rathod ***DIN:*** 00122867 ***Designation:*** Chairman and Whole-time Director ***Address:*** 101, 401/3, Joy Solitaire Building, Friends C.H.S.L., N.S. Road 5, JVPD, Vile Parle West, Mumbai 400 056, Maharashtra, India ***Occupation*:** Business ***Current term:*** For a period of five years with effect from June 9, 2023, liable to retire by rotation ***Period of directorship:*** Director since August 12, 2016 ***Date of birth:*** July 10, 1950	73	***Indian Companies:*** 1. Pentel Stationery (India) Private Limited 2. Flair Writing Equipments Private Limited 3. Flair Pens Limited 4. Writing Instruments Manufacturers Organisation (India) ***Foreign Companies:*** Nil
Name: Mr. Vimalchand Jugraj Rathod ***DIN:*** 00123007 ***Designation:*** Managing Director ***Address:*** Mayur Building, Flat No. 1201, 12th Floor, Plot No. – 40, JVPD Scheme, N.S. Road No. 8, Vile Parle, Mumbai 400 056, Maharashtra, India ***Occupation*:** Business ***Current term:*** For a period of five years with effect from October 1, 2022, liable to retire by rotation ***Period of directorship:*** Director since August 12, 2016 ***Date of birth:*** August 9, 1951	71	***Indian Companies:*** 1. The Plastics Export Promotion Council 2. Flair Writing Equipments Private Limited 3. Pentel Stationery (India) Private Limited 4. Flair Pens Limited 5. Writing Instruments Manufacturers Organisation (India) ***Foreign Companies:*** Nil
Name: Mr. Rajesh Khubilal Rathod ***DIN:*** 00122907 ***Designation:*** Whole-time Director ***Address:*** 401/3, Friends C.H.S, N.S. Road no. 5, JVPD Scheme, Vile Parle West, Mumbai 400 056, Maharashtra, India ***Occupation*:** Business ***Current term:*** For a period of five years with effect from October 1,	51	***Indian Companies:*** 1. Flair Writing Equipments Private Limited 2. Flair Cyrosil Industries Private Limited 3. Writing Instruments Manufacturers Organisation (India) ***Foreign Companies:*** Nil

Name, DIN, Designation, Address, Occupation, Period of Directorship, Term and Date of Birth	Age (years)	Other Directorships
2022, liable to retire by rotation ***Period of directorship:*** Director since August 12, 2016 ***Date of birth:*** January 11, 1972		
Name: Mr. Mohit Khubilal Rathod ***DIN:*** 00122951 ***Designation:*** Whole-time Director ***Address:*** 401, Friends C.H.S. Ltd., N.S. Road No. 5, JVPD Scheme Vile Parle West, Mumbai 400 056, Maharashtra, India ***Occupation*:** Business ***Current term:*** For a period of five years with effect from April 1, 2022, liable to retire by rotation ***Period of directorship:*** Director since August 12, 2016 ***Date of birth:*** September 30, 1978	44	***Indian Companies:*** 1. Flair Writing Equipments Private Limited 2. Flair Pens Limited 3. Flair Cyrosil Industries Private Limited ***Foreign Companies:*** Nil
Name: Mr. Sumit Rathod ***DIN:*** 02987687 ***Designation:*** Whole-time Director ***Address:*** 1301, Mayur, Plot No. 40, N.S. Road No. 8, Presidency C.H.S., Near PNB, JVPD, Mumbai 400 056, Maharashtra, India ***Occupation*:** Business ***Current term:*** For a period of five years with effect from April 1, 2022, liable to retire by rotation ***Period of directorship:*** Director since August 12, 2016 ***Date of birth:*** August 15, 1982	40	***Indian Companies:*** 1. Flair Pens Limited 2. Flair Writing Equipments Private Limited 3. Flair Cyrosil Industries Private Limited ***Foreign Companies:*** Nil
Name: Mr. Punit Saxena ***DIN:*** 01057161 ***Designation:*** Independent Director ***Address:*** 702, 7th Floor, Gold Crest C.H.S.L., Sunder Nagar, Road No. 3, Vigneshwar Mandir, Kalina, Santacruz, Mumbai 400 098, Maharashtra, India ***Occupation*:** Superannuated ***Current term:*** For a period of five consecutive years with effect from March 18, 2023 ***Period of directorship:*** Independent Director from August 9, 2018 to June 30, 2020 and re-appointed since March 18, 2023 ***Date of birth:*** June 10, 1957	66	***Indian Companies:*** 1. Baroda BNP Paribas Trustee India Private Limited ***Foreign Companies:*** Nil
Name: Mr. Rajneesh Bhandari	54	***Indian Companies:***

Name, DIN, Designation, Address, Occupation, Period of Directorship, Term and Date of Birth	Age (years)	Other Directorships
DIN: 00094089 ***Designation:*** Independent Director ***Address:*** S-271, Mahaveer Nagar, Tonk Road, Jaipur 302 018, Rajasthan, India ***Occupation*:** Business ***Current term:*** For a period of five consecutive years with effect from May 4, 2022 ***Period of directorship:*** Independent Director from August 9, 2018 to June 17, 2020 and re-appointed since May 4, 2022 ***Date of birth:*** October 5, 1968		1. Neuroequilibrium Diagnostic Systems Private Limited 2. Cosmo Infratel Private Limited 3. Vertigo Healthcare Private Limited* 4. Futurecure Health Private Limited 5. Apex Hospitals Private Limited **In the process of being struck-off* ***Foreign Companies:*** Nil
Name: Mr. Bishan Singh Rawat ***DIN:*** 08139018 ***Designation:*** Independent Director ***Address:*** 3, Balbir Road, Dehradun 248 001, Uttarakhand, India ***Occupation*:** Advocate ***Current term:*** For a period of five consecutive years with effect from August 9, 2018 and re-appointed for five consecutive years with effect from August 9, 2023 ***Period of directorship:*** Independent Director from August 9, 2018 to August 8, 2023 and shall be re-appointed from August 9, 2023 ***Date of birth:*** May 19, 1956	67	***Indian Companies:*** Nil ***Foreign Companies:*** Nil
Name: Mr. Manoj Vinod Lalwani ***DIN:*** 10077949 ***Designation:*** Independent Director ***Address:*** 321/18, Shantinagar Society, Mahatma Phule Peth, Jawaharlal Nehru Marg, Opposite Kering Hospital, Pune 411 042, Maharashtra, India ***Occupation*:** Business ***Current term:*** For a period of five consecutive years with effect from March 18, 2023 ***Period of directorship:*** Independent Director since March 18, 2023 ***Date of birth:*** March 2, 1980	43	***Indian Companies:*** Nil ***Foreign Companies:*** Nil
Name: Ms. Sheetal Bhanot Shetty ***DIN:*** 10087870 ***Designation:*** Independent Director ***Address:*** Silver Riddhi Siddhi, C Wing, Flat No. 601, 5th Road, Near	55	***Indian Companies:*** Nil ***Foreign Companies:*** Nil

Name, DIN, Designation, Address, Occupation, Period of Directorship, Term and Date of Birth	Age (years)	Other Directorships
Diamond Garden, Chembur East, Mumbai 400 071, Maharashtra, India ***Occupation*:** Service ***Current term:*** For a period of five consecutive years with effect from March 24, 2023 ***Period of directorship:*** Independent Director since March 24, 2023 ***Date of birth:*** February 6, 1968		

Relationship between our Directors and Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Directors are related to each other or to any of our Key Managerial Personnel or Senior Management.

Name	Relationship
Mr. Khubilal Jugraj Rathod	Brother of Mr. Vimalchand Jugraj Rathod
	Father of Mr. Rajesh Khubilal Rathod
	Father of Mr. Mohit Khubilal Rathod
	Uncle of Mr. Sumit Rathod
Mr. Vimalchand Jugraj Rathod	Brother of Mr. Khubilal Jugraj Rathod
	Father of Mr. Sumit Rathod
	Uncle of Mr. Mohit Khubilal Rathod and Mr. Rajesh Khubilal Rathod
Mr. Rajesh Khubilal Rathod	Son of Mr. Khubilal Jugraj Rathod
	Brother of Mr. Mohit Khubilal Rathod
	Nephew of Mr. Vimalchand Jugraj Rathod
	Cousin of Mr. Sumit Rathod
Mr. Mohit Khubilal Rathod	Son of Mr. Khubilal Jugraj Rathod
	Brother of Mr. Rajesh Khubilal Rathod
	Nephew of Mr. Vimalchand Jugraj Rathod
	Cousin of Mr. Sumit Rathod
Mr. Sumit Rathod	Son of Mr. Vimalchand Jugraj Rathod
	Nephew of Mr. Khubilal Jugraj Rathod
	Cousin of Mr. Mohit Khubilal Rathod and Mr. Rajesh Khubilal Rathod

Brief Biographies of our Directors

Mr. Khubilal Jugraj Rathod is the Chairman and a Whole-time Director 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 48 years of experience in the writing instruments industry. He has received the Lifetime Achievement Award and the Udyog Rattan Award from the Institute of Economic Studies, the Life time Achievement Award from The Bombay Fountain Pen Manufacturers and Traders Association, the award for the 'Most Admired Leader' from Herald Global, Inspirational Leaders of New India award from Powerbrands Glam, Las Vegas, USA, Life time Achievement Award from the Honorable Governor of Uttarakhand and the 'Achiever' Award from the Junior Chamber International, Marine Lines. He is responsible for providing overall guidance and vision in development of new factory units and taking decisions in day to day business activities of the Company.

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 a fellow member of the Institute of Chartered Accountants of India. He holds a Bachelor of Commerce degree from Bangalore University, Bengaluru, Karnataka. He has over 40 years of experience in the writing instruments industry. He has received "Asia's Most Promising Leader 2015-16" award from World Consulting and Research Corporation, "Award of Appreciation" from the Pen and Stationery Association of India and award from the PlastIndia Foundation. He was previously the chairman of the

Plastic Export Promotion Council and currently the chairman of the Pen and Stationery Association of India. 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 a Whole-time 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 Bombay, Mumbai, Maharashtra. He has over 33 years of experience in the writing instruments industry. He heads the international sales and marketing division along with global relationship development of our Company.

Mr. Mohit Khubilal Rathod is a Whole-time 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 Muhlenberg College, Pennsylvania, USA. He has over 23 years of experience in the writing instruments industry. He heads the product development, domestic sales and marketing division of our Company.

Mr. Sumit Rathod is a Whole-time 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, USA and a Post Graduate Diploma in Management from the S.P. Jain Institute of Management and Research, Mumbai, Maharashtra. He has over 15 years of experience in the writing instruments industry. He heads the new business development, production, process and system management of our Company.

Mr. Punit Saxena is an Independent Director of our Company. He was originally appointed as an independent director of the Company from August 9, 2018 to June 30, 2020 and was re-appointed on the Board of our Company with effect from March 18, 2023. He holds a Bachelor of Science degree (in civil engineering) from the University of Calicut, Kerala, a Master of Business Administration degree from University of Rajasthan, Jaipur, Rajasthan and has obtained 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 fellow member of the Indian Institution of Valuers (India), a professional member of the Royal Institution of Chartered Surveyors, a 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 was previously associated with UTI Infrastructure, Technology and Services Limited (as its chief executive officer), Unit Trust of India, Jaipur Development Authority, Rajasthan State Industrial Development and Investment Corporation Limited, Sujalam Construction Limited and is currently a superannuated professional.

Mr. Rajneesh Bhandari is an Independent Director of our Company. He was originally appointed as an independent director of the Company from August 9, 2018 to June 17, 2020 and was re-appointed on the Board of our Company with effect from May 4, 2022. He holds a Bachelor of Technology degree in Chemical Engineering from the Indian Institute of Technology, Delhi. He is associated with Cosmo Infratel Private Limited, Futurecure Health Private Limited, Apex Hospital Private Limited and is employed with Neuroequilibrium Diagnostic Systems Private Limited. He has experience in the healthcare and telecommunication industry.

Mr. Bishan Singh Rawat is an Independent Director of our Company. He was appointed as an independent director of our Company for a period of five consecutive years with effect from August 9, 2018 and has been re-appointed for a period of five consecutive years with effect from August 9, 2023. He holds a Bachelor of Science degree from Meerut University, Meerut, Uttar Pradesh and a Bachelor of Laws degree from Garhwal University, Uttarakhand. He is enrolled with the Bar Council of Uttarakhand and is currently a practicing advocate.

Mr. Manoj Vinod Lalwani is an Independent Director of our Company. He was appointed as an independent director of our Company with effect from March 18, 2023. He holds a Bachelor of Engineering degree from University of Pune, Pune, Maharashtra and completed his Master of Science in Plastics Engineering from University of Massachusetts, Boston, USA. He was previously associated with Nakoda Sales Corporation, Stylex International FZC and is currently a partner at J.K. Lalwani & Brothers. He has experience in the field of manufacturing filler compounds for plastic polymers.

Ms. Sheetal Bhanot Shetty is an Independent Director of our Company. She was appointed as an independent director of our Company with effect from March 24, 2023. She holds a Bachelor of Arts degree and a Master of Arts degree from the University of Bombay, Mumbai, Maharashtra. She was previously associated with ESAB India Limited, The Indian Hotels Company Limited, Intrex India Limited, IMS Health Information and Consulting Services India Private

Limited, Edelweiss Rural & Corporate Services Limited. She is currently employed with Hella Infra Market Private Limited.

Arrangements or understanding with major shareholders, customers, suppliers or others

None of our Directors have been presently appointed or selected as a director pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service Contracts with Directors

Except the statutory benefits upon termination of their employment in our Company or superannuation, none of the Directors are entitled to any other benefit upon retirement or termination of employment or superannuation. There are no service contracts entered into with any Directors, which provide for benefits upon retirement or termination of employment.

Borrowing Powers of our Board of Directors

In accordance with our Articles of Association and pursuant to a special resolution dated October 25, 2018 passed by the Shareholders and resolution dated October 22, 2018 passed by our Board, our Board has been authorized to borrow from time to time, at its discretion, with or without security, and upon such terms and conditions as our Board may think fit, for the purposes of the business of our Company, 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 ₹5,000 million at any point of time.

Terms of appointment of Directors

1. Appointment details of our Chairman and Whole-time Director

Mr. Khubilal Jugraj Rathod is the Chairman of our Board and a Whole-time Director of our Company. He was one of the first directors of the Company. Most recently, he was appointed as the Chairman of our Board, pursuant to a resolution dated June 23, 2018, passed by our Board and was re-designated as a Whole-time Director, pursuant to resolutions dated June 9, 2023 and June 26, 2023, passed by our Board and the Shareholders, respectively.

He was appointed for a term of five years with effect from June 9, 2023, liable to retire by rotation and was paid commission of ₹4.80 million for the Financial Year 2023.

Details of the remuneration that Mr. Khubilal Jugraj Rathod is entitled to from the Financial Year 2023 to the Financial Year 2028 and the other terms of his appointment are enumerated below:

Component	Remuneration Details
Salary	₹ 0.55 million per month
Performance linked discretionary commission	Up to 1% of the net profit of the Company, subject to overall remuneration including the commission payable to him along with remuneration and commission payable to other Whole-time Directors shall not exceed 10% of the profits of the Company
Perquisites	Chauffeur driven motor car for business and personal use
Other benefits	1. Benefit of the Company's Provident Fund Scheme in accordance with the rules of such scheme for the time being in force; 2. Gratuity in accordance with the rules of our Company for the time being in force; and 3. Encashment of unavailed leaves at the end of his tenure as Whole-time Director as per the rules of our Company for the time being in force

2. Appointment details of our Managing Director

Mr. Vimalchand Jugraj Rathod is the Managing Director of our Company. Most recently, he was re-appointed as the Managing Director of our Company pursuant to a resolution dated January 8, 2022 adopted by our Board and a special resolution dated March 25, 2022 passed by our Shareholders.

He was appointed for a term of five years with effect from October 1, 2022, liable to retire by rotation and was paid remuneration of ₹4.20 million for the Financial Year 2023.

Details of the remuneration that Mr. Vimalchand Jugraj Rathod is entitled to from the Financial Year 2023 to the Financial Year 2027 and the other terms of his employment are enumerated below:

Component	Remuneration Details
Salary	₹0.55 million per month
Performance linked discretionary commission	Up to 1% of the net profit of the Company, subject to overall remuneration including the commission payable to him along with remuneration and commission payable to other Whole-time Directors shall not exceed 10% of the profits of the Company
Perquisites	Chauffeur driven motor car for business and personal use
Other benefits	1. Benefit of the Company's Provident Fund Scheme in accordance with the rules of such scheme for the time being in force; 2. Gratuity in accordance with the rules of our Company for the time being in force; and 3. Encashment of unavailed leaves at the end of his tenure as Whole-time Director

3. *Appointment details of our Whole-time Directors*

Mr. Rajesh Khubilal Rathod is a Whole-time Director of our Company. Most recently, he was appointed as a Whole-time Director of our Company, liable to retire by rotation, for a term of five years with effect from October 1, 2022, pursuant to a resolution dated January 8, 2022 adopted by our Board and a special resolution dated March 25, 2022 passed by our Shareholders. He was paid remuneration of ₹6.00 million for the Financial Year 2023.

Component	Remuneration Details
Salary	₹0.55 million per month
Performance linked discretionary commission	Up to 1% of the net profit of the Company, subject to overall remuneration including the commission payable to him along with remuneration and commission payable to other Whole-time Directors shall not exceed 10% of the profits of the Company
Perquisites	Chauffeur driven motor car for business and personal use
Other benefits	1. Benefit of the Company's Provident Fund Scheme in accordance with the rules of such scheme for the time being in force; 2. Gratuity in accordance with the rules of our Company for the time being in force; and 3. Encashment of unavailed leaves at the end of his tenure as Whole-time Director

Mr. Mohit Khubilal Rathod is a Whole-time Director of our Company. Most recently, he was appointed as a Whole-time Director of our Company, liable to retire by rotation, for a term of five years with effect from April 1, 2022, pursuant to a resolution dated January 8, 2022 adopted by our Board and a special resolution dated March 25, 2022 passed by our Shareholders. He was paid remuneration of ₹6.00 million for the Financial Year 2023.

Component	Remuneration Details
Salary	₹0.55 million per month
Performance linked discretionary commission	Up to 1% of the net profit of the Company, subject to overall remuneration including the commission payable to him along with remuneration and commission payable to other Whole-time Directors shall not exceed 10% of the profits of the Company
Perquisites	Chauffeur driven motor car for business and personal use
Other benefits	1. Benefit of the Company's Provident Fund Scheme in accordance with the rules of such scheme for the time being in force;

Component	Remuneration Details
	2. Gratuity in accordance with the rules of our Company for the time being in force; and 3. Encashment of unavailed leaves at the end of his tenure as Whole-time Director

Mr. Sumit Rathod is a Whole-time Director of our Company. Most recently, he was appointed as a Whole-time Director of our Company, liable to retire by rotation, for a term of five years with effect from April 1, 2022, pursuant to a resolution dated January 8, 2022 adopted by our Board and a special resolution dated March 25, 2022 passed by our Shareholders. He was paid remuneration of ₹6.00 million for the Financial Year 2023.

Component	Remuneration Details
Salary	₹0.55 million per month
Performance linked discretionary commission	Up to 1% of the net profit of the Company, subject to overall remuneration including the commission payable to him along with remuneration and commission payable to other Whole-time Directors shall not exceed 10% of the profits of the Company
Perquisites	Chauffeur driven motor car for business and personal use
Other benefits	1. Benefit of the Company's Provident Fund Scheme in accordance with the rules of such scheme for the time being in force; 2. Gratuity in accordance with the rules of our Company for the time being in force; and 3. Encashment of unavailed leaves at the end of his tenure as Whole-time Director

4. ***Remuneration details for our Independent Directors***

Pursuant to resolution dated June 9, 2023 passed by our Board, each Independent Director is entitled to receive 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.

The details of the sitting fees paid to the Independent Directors in Financial Year 2023 are as disclosed below:

S. No.	Name of Independent Director	Total Payment (₹)
1.	Mr. Bishan Singh Rawat	160,000
2.	Mr. Rajneesh Bhandari	130,000
3.	Mr. Punit Saxena	20,000
4.	Mr. Manoj Vinod Lalwani	20,000
5.	Ms. Sheetal Bhanot Shetty(1)	Nil

(1) *Appointed with effect from March 24, 2023.*

Remuneration paid to our Directors by our Subsidiaries

Except for Mr. Khubilal Jugraj Rathod, our Chairman and Whole-time Director, who received remuneration of ₹1.20 million in his capacity as a director of FWEPL for the Financial Year ended March 31, 2023, there is no remuneration paid or payable to our Directors by our Subsidiaries during or for the Financial Year ended March 31, 2023.

Contingent and deferred compensation payable to our Directors

Except as disclosed in this section under "—*Terms of appointment of Directors*" on page 210, there is no contingent or deferred compensation payable by our Company or Subsidiaries, as the case may be to our Directors.

Bonus or profit-sharing plan for Directors

Except as disclosed in this section, under "—*Terms of appointment of Directors*" on page 210, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Details of our Directors who hold Equity Shares in our Company as on the date of this Draft Red Herring Prospectus are as follows:

Name	Number of Equity Shares	Percentage of pre-Offer share capital
Mr. Khubilal Jugraj Rathod	18,677,760	20.00%
Mr. Vimalchand Jugraj Rathod	14,008,320	15.00%
Mr. Rajesh Khubilal Rathod	9,338,880	10.00%
Mr. Mohit Khubilal Rathod	9,338,880	10.00%
Mr. Sumit Rathod	9,338,880	10.00%

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, bonus and reimbursement of expenses, if any, payable to them.

Certain Directors may be deemed to be interested to the extent of Equity Shares, held by them in our Company and its Subsidiaries, and any dividend and other distributions payable in respect of such Equity Shares.

Certain Directors are also interested in our Company to the extent of the unsecured loans extended by them and their relatives to our Company. For further details, see "*Financial Information—Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information* – Note 17" on page 273.

Further, certain directors are also interested in our Company to the extent of the lease rentals payable to them and their relatives by our Company. For further details, see "*—Interest in Property*" on page 213 and "*Our Promoters and Promoter Group—Interest of Promoters*" on page 228.

Interest in promotion or formation of our Company and its Subsidiaries

Except for Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod who are the Promoters of our Company, and Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumit Rathod, who are collectively among the first directors of our Company, none of our Directors have any interest in the promotion or formation of our Company or its Subsidiaries as of the date of this Draft Red Herring Prospectus.

Interest in property

Except as stated below and in "*Other Financial Information—Related Party Transactions*" on page 313, none of our Directors are interested in any property acquired by our Company or proposed to be acquired by it:

S. No.	Agreement	Property	Plant Location	Lessor	Consideration	Initial Validity
1.	Leave and license agreement dated April 5, 2023	Factory building situated at Trinity Industrial Park, Survey No. 14, 15, 16, Next to Vasai Diva Railway Bridge, N.H. No. 8, Naigaon (East), Village Bapane, Palgarh 401 208	Naigaon Unit-I	M/s. Flair Pen and Plastic Industries (through its partners Mr. Mohit Khubilal Rathod, Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod, Mr. Rajesh Khubilal Rathod and Mr. Sumit Rathod)	₹1.42 million per month, subject to escalation as per terms of the leave and license agreement	Period of five years from April 1, 2023 to March 31, 2028
2.	Leave and license	Plot situated at Survey no. 377/1, Plot No. 19	Daman Unit-III	M/s. Flair Pen and Plastic Industries (through its	₹0.51 million per month,	Period of five years

S. No.	Agreement	Property	Plant Location	Lessor	Consideration	Initial Validity
	agreement dated April 5, 2023	& 21, Zari Causeway Road, Kachigam, Daman 396 210		partners Mr. Mohit Khubilal Rathod, Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod, Mr. Rajesh Khubilal Rathod and Mr. Sumit Rathod)	subject to escalation as per terms of the leave and license agreement	from April 1, 2023 to March 31, 2028
3.	Leave and license agreement dated October 16, 2017 amended pursuant to a deed of rectification dated August 12, 2021	Land situated on a part of Survey/ Block No. 253 of village Shankartalav, Valsad, Gujarat	Valsad Building-II	Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod	₹0.10 million per month subject to escalation as per terms of the leave and license agreement	Period of 25 years (which can be extended further for 25 years) from October 16, 2017 to October 15, 2042
4.	Leave and license agreement dated March 10, 2023	Building situated at part of Block No. 253 of village Shankartalav, Valsad, Gujarat	Valsad office	M/s. Flair Pen and Plastic Industries (through its partners Mr. Mohit Khubilal Rathod, Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod, Mr. Rajesh Khubilal Rathod and Mr. Sumit Rathod)	₹0.06 million per month, subject to escalation as per terms of the leave and license agreement	Period of five years (which can be extended further for five years) from March 1, 2023 to February 29, 2028
5.	Leave and license agreement dated April 5, 2023	Property situated at Unit DDN-I, Khasra No. 1049/2, 1050, 1051/1, Twin Industrial Estate, Central Hope Town, Camp Road, Selaqui, Dehradun 248 011	Dehradun Unit-I	Flair Pens Limited, (through its directors Mr. Mohit Khubilal Rathod, Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod and Mr. Sumit Rathod)	₹0.55 million per month, subject to escalation as per terms of the leave and license agreement	Period of five years from April 1, 2023 to March 31, 2028
6.	Leave and license agreement dated April 5, 2023	Property situated at Unit DDN-II, Khasra No. 1049/2, 1050, Twin Industrial Estate, Central Hope Town, Camp Road, Selaqui, Dehradun 248 011	Dehradun Unit-II	Flair Pens Limited, (through its directors Mr. Mohit Khubilal Rathod, Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod and Mr. Sumit Rathod)	₹0.45 million per month, subject to escalation as per terms of the leave and license agreement	Period of five years from April 1, 2023 to March 31, 2028
7.	Leave and license agreement dated April 5, 2023	Plot of land along with factory building situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali – West, Mumbai, Maharashtra 400 067	Registered Office	Flair Pens Limited (through its directors Mr. Mohit Khubilal Rathod, Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod and Mr. Sumit Rathod)	₹0.52 million per month, subject to escalation as per terms of the leave and license agreement	Period of five years from April 1, 2023 to March 31, 2028
8.	Leave and license agreement dated April 5, 2023	Building situated at Plot No. 266, Aamby Valley, Kumbheri, Mulshi, Pune	Guest house	Mr. Vimalchand Jugraj Rathod	₹0.08 million per month, subject to escalation as per terms of	Period of five years from April 1, 2023 to March 31,

S. No.	Agreement	Property	Plant Location	Lessor	Consideration	Initial Validity
					the leave and license agreement	2028
9.	Leave and license agreement dated April 5, 2023	Land and building situated at Laxmi Narayan Niwas, CTS No. 54, Survey No. 6 (pt.), Eksar Pahadi, Goregaon (East), Station Road, Mumbai, Maharashtra 400 063	Mumbai godown	M/s. Rathod N Rathod, (through its partners Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod, Mr. Mohit Khubilal Rathod, Mrs. Manjula Vimalchand Rathod and Mrs. Sangeeta Rajesh Rathod)	₹0.01 million per month	Period of five years from April 1, 2023 to March 31, 2028

Other than as disclosed in "*Other Financial Information—Related Party Transactions" and "Financial Information—Restated Consolidated Financial Information*" on pages 313 and 234, respectively and except as disclosed herein below, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Directors are directly or indirectly interested and no payments have been made to our Directors in respect of the contracts, agreements or arrangements which are proposed to be made with our Directors other than in the normal course of business.

Confirmations

None of our Directors have been identified as a Wilful Defaulter or Fraudulent Borrower.

None of our Directors are prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on any stock exchange(s) during their term of tenure in such company.

Except for Mr. Sumit Rathod, the details of which are provided below, none of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during their term of tenure in such company:

Name of the company	Mewar Polytex Limited
Name of the Stock Exchange(s) on which the equity shares of the company were listed	BSE
Date of delisting on the stock exchange(s)	January 6, 2017
Whether delisting was compulsory or voluntary	Voluntary
Reasons for delisting	Low volume of trading in the equity shares of Mewar Polytex Limited on the BSE
Whether the company was 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

None of our Directors are interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce him/her to become, or to help him/her qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Changes in our Board of Directors during last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of Change	Designation (at the time of appointment/cessation)	Reason
Mr. Khubilal Jugraj Rathod	June 9, 2023	Whole-time Director	Re-designation
Ms. Sheetal Bhanot Shetty	March 24, 2023	Independent Director	Appointment
Mr. Manoj Vinod Lalwani	March 18, 2023	Independent Director	Appointment
Mr. Punit Saxena	March 18, 2023	Independent Director	Appointment
Mrs. Sangita Rajesh Rathod	March 16, 2023	Non-executive Director	Cessation
Mr. Rajneesh Bhandari	May 4, 2022	Independent Director	Appointment
Mr. Arun Mohan Jain	March 28, 2022	Independent Director	Cessation
Mrs. Sangita Rajesh Rathod	September 23, 2021	Non-executive Director	Appointment
Mr. Arun Mohan Jain	August 28, 2021	Independent Director	Appointment
Mrs. Sangeeta Sethi	August 16, 2021	Independent Director	Cessation

Note:
(1) This table does not include changes such as regularization of appointments.
(2) Mr. Bishan Singh Rawat has been reappointed as Independent Director of our Company with effect from August 9, 2023 for a term of five years, pursuant to a resolution dated June 9, 2023 adopted by our Board and a resolution dated June 26, 2023 passed by our Shareholders.

Corporate Governance

In addition to the Companies Act, 2013, the provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the audit committee, nomination and remuneration committee, stakeholder's relationship committee, and risk management committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

As on the date of filing of this Draft Red Herring Prospectus, our Company has 10 Directors comprising five Whole-time Directors and five Independent Directors, one of whom is an independent woman director.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under SEBI Listing Regulations and the Companies Act, 2013, to the extent applicable. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

Committees of our Board

In addition to the committees of our Board described below, our Board may constitute committees for various functions from time to time.

Audit Committee

The members of our Audit Committee are:
a. Mr. Bishan Singh Rawat (Independent Director) – Chairperson;
b. Mr. Rajneesh Bhandari (Independent Director) – Member; and
c. Mr. Vimalchand Jugraj Rathod (Managing Director) – Member.

Our Audit Committee was constituted by our Board pursuant to resolution dated August 9, 2018. The terms of reference of the Audit Committee were last revised by our Board pursuant to a resolution dated June 9, 2023.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as disclosed below:

(a) overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
(b) recommending to the Board the appointment, re-appointment, removal and replacement, remuneration and the terms of appointment of the auditors of the Company, including fixing the audit fees;
(c) reviewing and monitoring the statutory auditors independence and performance, and effectiveness of audit process;
(d) approving payments to the statutory auditors for any other services rendered by statutory auditors;
(e) reviewing, with the management, the annual financial statements and the auditors report thereon before submission to the Board for approval, with particular reference to:

    (i) matters required to be stated in the Directors' responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act;
    (ii) changes, if any, in accounting policies and practices and reasons for the same;
    (iii) major accounting entries involving estimates based on the exercise of judgment by management;
    (iv) significant adjustments made in the financial statements arising out of audit findings;
    (v) compliance with listing and other legal requirements relating to financial statements;
    (vi) disclosure of any related party transactions; and
    (vii) qualifications and modified opinions in the draft audit report.

(f) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
(g) scrutinizing of inter-corporate loans and investments;
(h) undertaking or supervising valuation of undertakings or assets of the Company, wherever it is necessary;
(i) evaluation of internal financial controls and risk management systems, the Company's cash, debt, debt covenants and other financial readiness measures;
(j) formulating a policy on related party transactions, which shall include materiality of related party transactions;
(k) approving transactions of the Company with related parties, or any subsequent modification thereof and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
(l) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
(m) reviewing along with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.;
(n) establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
(o) reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
(p) reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
(q) discussing with internal auditors any significant findings and follow up thereon;
(r) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
(s) discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
(t) looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
(u) approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
(v) reviewing the functioning of the whistle blower mechanism;
(w) ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;

(x) formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;

(y) reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

(z) considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and

(aa) investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;

(bb) reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;

(cc) Reviewing:
  (i) Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
  (ii) Any material default in financial obligations by the Company;
  (iii) Any significant or important matters affecting the business of the Company.

(dd) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act or other applicable law

The Audit Committee shall have powers, including the following:

(a) to investigate any activity within its terms of reference;
(b) to seek information from any employees;
(c) to obtain outside legal or other professional advice;
(d) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
(e) to have such powers as may be prescribed under the Companies Act and the SEBI Listing Regulations.

The Audit Committee shall mandatorily review the following information:

(a) management's discussion and analysis of financial condition and result of operations;
(b) management letters/letters of internal control weaknesses issued by the statutory auditors;
(c) internal audit reports relating to internal control weaknesses;
(d) the appointment, removal and terms of remuneration of the chief internal auditor;
(e) the examination of the financial statements and the auditors' report thereon; and
(f) statement of deviations, including:
  (i) quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
(g) the financial statements, in particular, the investments made by any unlisted subsidiary.

The Audit Committee is required to meet at least four times in a year with a maximum interval of 120 days between two meetings in accordance with the SEBI Listing Regulations. The Audit Committee has the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by our Board for such purpose.

Nomination and Remuneration Committee

The members of our Nomination and Remuneration Committee are:

a. Mr. Rajneesh Bhandari (Independent Director) – Chairperson;
b. Mrs. Sheetal Bhanot Shetty(Independent Director) – Member; and

c. Mr. Manoj Vinod Lalwani (Independent Director) – Member.

The Nomination and Remuneration Committee was constituted by the Board pursuant to a resolution dated August 9, 2018. The Nomination and Remuneration Committee was last re-constituted by our Board pursuant to a resolution dated June 9, 2023. The terms of reference of the Nomination and Remuneration Committee were last revised by our Board pursuant to a resolution dated June 9, 2023.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, the SEBI Listing Regulations and other applicable law and its terms of reference include the following:

(a) identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairperson of the Board and the Chief Executive Officer;
(b) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees;
(c) while formulating the above policy, ensuring that:
    (i) the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
    (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
(d) formulating criteria for evaluation of performance of independent directors and the Board;
(e) devising a policy on diversity of the Board;
(f) evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director, for every appointment of an independent director. Ensuring that the person recommended to the Board for appointment as an independent director has the capabilities identified in such description. Further, for the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
    (i) use the services of an external agencies, if required;
    (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
    (iii) consider the time commitments of the candidates;
(g) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance and specifying the manner for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and reviewing its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
(h) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
(i) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;
(j) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
(k) recommending to the Board, all remuneration, in whatever form, payable to senior management;
(l) performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
(m) administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
    (i) determining the eligibility criteria and selection of employees to participate under the ESOP Scheme;
    (ii) determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
    (iii) date of grant;

(iv) determining the exercise price of the option under the ESOP Scheme;
(v) the conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
(vi) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
(vii) the specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
(viii) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
(ix) re-pricing of the options which are not exercised, whether or not they have been vested if stock option are rendered unattractive due to fall in the market price of the equity shares;
(x) the grant, vesting and exercise of option in case of employees who are on long leave;
(xi) the vesting and exercise of option in case of grantee who has been transferred or whose services have been seconded to any other entity within the group at the instance of the Company;
(xii) allowing exercise of unvested options on such terms and conditions as it may deem fit;
(xiii) the procedure for cashless exercise of options;
(xiv) forfeiture/ cancellation of options granted;
(xv) arranging to get the shares issued under the ESOP Scheme listed on the stock exchanges on which the equity shares of the Company are listed or maybe listed in future.
(xvi) formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
   a. the number and the price of the option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
   b. for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
   c. the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(n) construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
(o) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
(p) analyzing, monitoring and reviewing various human resource and compensation matters;
(q) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
(r) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
   (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
(s) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, or other applicable law.

Stakeholders' Relationship Committee

The members of our Stakeholders' Relationship Committee are:

a. Mr. Punit Saxena (Independent Director) – Chairperson;
b. Mr. Vimalchand Jugraj Rathod (Managing Director) – Member; and
c. Mr. Rajesh Khubilal Rathod (Whole-time Director) – Member.

The Stakeholders' Relationship Committee was constituted and the terms of reference of the Stakeholders' Relationship Committee were approved by our Board pursuant to a resolution dated June 9, 2023.

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013, the SEBI Listing Regulations and other applicable law and its terms of reference include the following:

(a) redressal of grievances of the shareholders, debenture holders and other security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
(b) reviewing measures taken for effective exercise of voting rights by the shareholders;
(c) investigating complaints relating to allotment of shares, approving transfer or transmission of shares, debentures or any other securities; reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent and recommending measures for overall improvement in the quality of investor services;
(d) reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
(e) formulating procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
(f) approving, registering, refusing to register transfer or transmission of shares and other securities;
(g) giving effect to dematerialisation of shares and re-materialisation of shares, sub-dividing, consolidating and/or replacing any share or other securities certificate(s) of the Company, compliance with all the requirements related to shares, debentures and other securities from time to time;
(h) issuing duplicate share or other security(ies) certificate(s) *in lieu* of the original share/security(ies) certificate(s) of the Company; and
(i) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.

Corporate Social Responsibility Committee

The members of our Corporate Social Responsibility Committee are:

a. Mr. Khubilal Jugraj Rathod (Chairman and Whole-time Director) – Chairperson;
b. Mr. Vimalchand Jugraj Rathod (Managing Director) – Member;
c. Mr. Rajneesh Bhandari (Independent Director) – Member; and
d. Mr. Rajesh Khubilal Rathod (Whole-time Director) – Member.

The Corporate Social Responsibility Committee was constituted by the Board pursuant to a resolution dated October 27, 2017. The Corporate Social Responsibility Committee was last re-constituted and the terms of reference of the Corporate Social Responsibility Committee were last revised by our Board pursuant to a resolution dated June 9, 2023.

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and other applicable law and its terms of reference include the following:

(a) formulating and recommending to the Board, the policy on corporate social responsibility ("**CSR**", and such policy, the "**CSR Policy**"), indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act;
(b) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
(c) recommending the amount of expenditure to be incurred on the CSR activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
(d) formulating the annual action plan of the Company.
(e) delegating responsibilities to the CSR team and supervising proper execution of all delegated responsibilities;
(f) monitoring the CSR Policy and CSR programmes and their implementation by the Company from time to time and issuing necessary directions as required for proper implementation and timely completion of CSR programmes; and
(g) performing such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Corporate Social Responsibility Committee.

Risk Management Committee

The members of the Risk Management Committee are:

a. Mr. Vimalchand Jugraj Rathod (Managing Director) – Chairperson;
b. Mr. Punit Saxena (Independent Director) – Member; and
c. Mr. Bishan Singh Rawat (Independent Director) – Member.

The Risk Management Committee was constituted and the terms of reference of the Risk Management Committee were last revised by the Board pursuant to a resolution dated June 9, 2023.

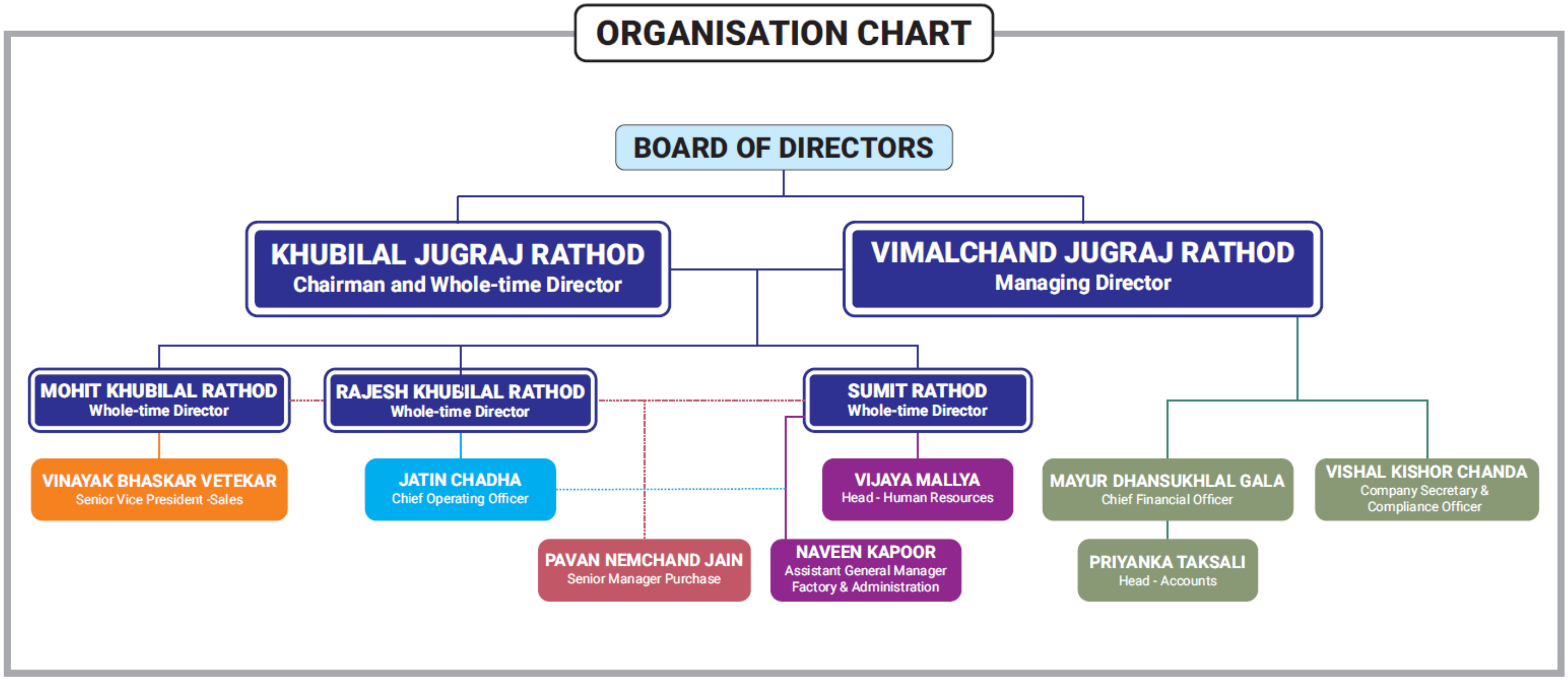
The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference include the following:

(a) To formulate a detailed risk management policy which shall include:
    (i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the risk management committee;
    (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and
    (iii) Business continuity plan.
(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
(c) To monitor and oversee implementation of the risk management policy of the Company, including evaluating the adequacy of risk management systems;
(d) To periodically review the risk management policy of the Company, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
(e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
(f) To set out risk assessment and minimization procedures and the procedures to inform the Board of the same;
(g) To frame, implement, review and monitor the risk management policy for the Company and such other functions, including cyber security;
(h) To review the status of the compliance, regulatory reviews and business practice reviews;
(i) To review and recommend the Company's potential risk involved in any new business plans and processes;
(j) To review the appointment, removal and terms of remuneration of the chief risk officer, if any; and
(k) To perform such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board.

In addition to the above, our Company has also constituted an IPO Committee pursuant to a resolution of our Board dated June 30, 2023. The IPO Committee comprises Mr. Vimalchand Jugraj Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumit Rathod and is authorized to approve and decide matters in connection with the Offer. The terms of reference of the IPO Committee approved by our Board pursuant to their resolution dated June 30, 2023 include, appointing and instructing the BRLMs, opening and operating bank accounts of the Company in terms of Section 40(3), seeking the listing of the Equity Shares on the Stock Exchanges and determining in consultation with the BRLMs, the Price Band and the minimum Bid Lot.

MANAGEMENT ORGANISATION STRUCTURE



Key Managerial Personnel of our Company

In addition to our Chairman and Whole-time Director, Mr. Khubilal Jugraj Rathod, our Managing Director, Mr. Vimalchand Jugraj Rathod and our Whole-time Directors, Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumit Rathod, whose details are provided in "—*Brief Biographies of our Directors*" on page 208, the details of our other Key Managerial Personnel as of the date of this Draft Red Herring Prospectus are set out below:

Mr. Mayur Dhansukhlal 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 responsible for the overall finance function in the Company. 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, Mumbai, Maharashtra. Prior to joining our Company, he worked with Ratan Poly Plast, Valation Finance and Marketing Private Limited and Prince Plastics International Private Limited. In Financial Year 2023, he was paid a total remuneration of approximately ₹3.93 million.

Mr. Vishal Kishor Chanda is the Company Secretary and Compliance Officer of our Company. He was originally appointed as the Company Secretary of the Company from August 9, 2018 to August 12, 2020. He was re-appointed as the Company Secretary of our Company on July 25, 2022 and was appointed as the Compliance Officer of our Company on June 9, 2023. He is responsible for the overall secretarial and statutory compliance in the Company. 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, Mumbai, Maharashtra. Prior to joining our Company, he worked with Skyline Millars Limited and Pankaj & Associates. In Financial Year 2023, he was paid a total remuneration of approximately ₹0.81 million.

Senior Management of our Company

In addition to Mr. Mayur Dhansukhlal Gala, the Chief Financial Officer of our Company and Mr. Vishal Kishor Chanda, the Company Secretary and Compliance Officer of our Company whose details are provided in "*Our Management—Key Managerial Personnel of our Company*" on page 224, the details of other members of our Senior Management in terms of SEBI ICDR Regulations, as on the date of this Draft Red Herring Prospectus are set out below:

Mr. Jatin Chadha is the Chief Operating Officer of our Company and has been associated with our Company since December 3, 2018. In his current role, he is responsible for strengthening the operations vertical to improve the productivity of the Company. He holds a Bachelor of Technology degree in information technology and engineering from Veer Bahadur Singh Purvanchal University, Jaunpur, Uttar Pradesh and a Master of International Business degree from Institute for Technology and Management, Navi Mumbai, Maharashtra. Prior to joining our Company, he was associated with FPPIPL (which was subsequently merged into our Company pursuant to the Scheme). In Financial Year 2023, he was paid a compensation of approximately ₹24.68 million by our Company.

Mr. Pavan Nemchand Jain is the Senior Manager – Purchase of our Company. He joined our Company on October 10, 2017 as Manager – Purchase. In his current role, he is responsible for procurement of packaging material, handling quality issues, ensuring compliance to quality standards, development of new packing material and obtaining certifications from the United Nations for various export packing material. He holds a Bachelor of Commerce degree from University of Mumbai, Mumbai, Maharashtra and a post graduate diploma in business administration from Symbiosis Centre for Distance Learning, Pune, Maharashtra. Prior to joining our Company, he has been associated with Tirupati Builders as a Partner**.** In Financial Year 2023, he was paid a compensation of approximately ₹2.98 million by our Company.

Ms. Priyanka Taksali is the Head – Accounts of our Company. She joined our Company on October 1, 2017 as Deputy Manager. In her current role, she is responsible for overall accounting, conducting internal and statutory audit, finalizing financials statements and compliance with tax laws. She is an associate member of the Institute of Chartered Accountants of India. She has passed the final examination for her Master of Commerce degree at University of Rajasthan, Jaipur, Rajasthan. Prior to joining our Company, she worked with Suzlon Energy Limited and Flair Pens Limited**.** In Financial Year 2023, she was paid a compensation of approximately ₹1.56 million by our Company.

Ms. Vijaya Mallya is the Head – Human Resources of our Company. She joined our Company on January 14, 2016 as General Manager – Human Resources. In her current role, she is responsible for overall human resources function of our Company including talent acquisition, payroll management, management strategy and supports grievance management. She holds a Bachelor of Commerce degree, a Master of Commerce degree and a Bachelor of Laws degree from the University of Mumbai, Mumbai, Maharashtra, Master of Business Law degree from National Law School of India University, Bangalore, Karnataka and post graduate diploma in business administration from Symbiosis Centre for Distance Learning, Pune, Maharashtra. Prior to joining our Company, she worked with FPPIPL (which was subsequently merged into our Company pursuant to the Scheme), Aunde Faze Three Autofab Limited. In Financial Year 2023, she was paid a compensation of approximately ₹3.30 million by our Company.

Mr. Vinayak Bhaskar Vetekar is the Senior Vice President - Sales and has been associated with our Company since September 21, 2020. In his current role, he is responsible for sales and strengthening the verticals within brands. He holds a Bachelor of Commerce degree from the University of Bombay, Mumbai, Maharashtra and a Master of Marketing Management degree from University of Mumbai, Mumbai, Maharashtra. Prior to joining our Company, he worked with Lakme Lever Limited, Kellogg India Limited, Cargill India Private Limited, Telemart Communication (India) Private Limited, Parle Agro Private Limited, ADF Foods (India) Limited and Kores (India) Limited**.** In Financial Year 2023, he was paid a compensation of approximately ₹5.85 million by our Company.

Mr. Naveen Kapoor is the Assistant General Manager – Factory and Administration of our Company and has been associated with our Company since April 9, 2018. In his current role, he is responsible for management of factories, administration and related departments for our manufacturing facilities in Dehradun, Uttarakhand. He is an associate member of the Institute of Cost Accountants of India and is certified Management Accountant by Institute of Management Accountants, U.S. Prior to joining our Company, he worked with FPSIPL (which was subsequently merged into our Company pursuant to the Scheme), Bourbon Gulf WLL, Royale Hayat Hospital and Doogar & Associates. In Financial Year 2023, he was paid a compensation of approximately ₹2.67 million by our Company.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management in our Company

Except as provided under "*Our Management–Shareholding of our Directors in our Company*" on page 213, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company.

Interest of Key Managerial Personnel and Senior Management of our Company

Our Key Managerial Personnel and Senior Management are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as part their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. Further, some of our Key Managerial Personnel are interested to the extent of certain lease rentals and unsecured loans provided by them and their relatives to our Company. For details see "*– Interest of our Directors*" on page 213.

Further, some of our Key Managerial Personnel are interested to the extent of Equity Shares held by them. For details, see "*—Shareholding of Key Managerial Personnel and Senior Management in our Company*". Mr. Jatin Chadha also holds equity shares in one of our Subsidiaries, FCIPL. For details, see "*History and Certain Corporate Matters—Subsidiaries*" on page 202.

Bonus or Profit-Sharing Plans of the Key Managerial Personnel and Senior Management

Except as disclosed in this section under "*—Terms of appointment of Directors*" on page 210, none of our Key Managerial Personnel or Senior Management are entitled to any bonus (excluding performance linked incentive which is part of their remuneration) or profit-sharing plans of our Company.

Relationship among Key Managerial Personnel and Senior Management

Except as disclosed in "*—Relationship between our Directors and Key Managerial Personnel and Senior*

Management" on page 208, none of our Key Managerial Personnel and Senior Management are related to each other.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation accrued for Financial Year 2023 and payable to our Key Managerial Personnel and Senior Management.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Key Managerial Personnel and Senior Management have been appointed as a Key Managerial Personnel and Senior Management, respectively

None of our Key Managerial Personnel and Senior Management have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service contracts with Key Managerial Personnel and Senior Management

Except for statutory benefits upon termination of their employment in our Company or retirement, no Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in Key Managerial Personnel and Senior Management

For details on changes in our Key Managerial Personnel who are also Directors, see "*—Changes in our Board of Directors during last three years*" on page 216. The changes in other Key Managerial Personnel and Senior Management in the preceding three years are as follows:

Name	Designation	Date of Change	Reason
Ms. Priyanka Taksali	Head – Accounts	April 1, 2023	Appointment
Mr. Vishal Kishor Chanda	Company Secretary and Compliance Officer	July 25, 2022	Appointment
Mr. Prakash Gupta	Company Secretary and Compliance Officer	June 30, 2022	Resignation
Mr. Prakash Gupta	Company Secretary and Compliance Officer	February 5, 2021	Appointment
Mr. Vishal Kishor Chanda	Company Secretary and Compliance Officer	August 12, 2020	Resignation
Mr. Vinayak Bhaskar Vetekar	Senior Vice President – Sales	September 21, 2020	Appointment

Payment or benefit to Key Managerial Personnel and Senior Management

No non-salary amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel or Senior Management, within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment or any employee stock options, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders.

Employee Stock Option Scheme

As of the date of this Draft Red Herring Prospectus, the Company does not have an employee stock option scheme.

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 32,686,080 Equity Shares, aggregating to 35.00% of the pre-Offer issued, subscribed and paid-up share capital of our Company. For further details, see "*Capital Structure—Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares*" on page 86.

Mr. Khubilal Jugraj Rathod

Mr. Khubilal Jugraj Rathod is the Chairman and Whole-time Director of our Company. For a complete profile of Khubilal Jugraj Rathod, *i.e.*, his age, date of birth, residential address, educational qualifications, professional experience, positions/posts held in the past, other directorships and special achievements, see "*Our Management*" on page 205.

His permanent account number is AAAPR8008F

Other than as disclosed in "*—Promoter Group*" and "*Our Management*" on pages 227 and 205, respectively, Mr. Khubilal Jugraj Rathod is not involved in any other venture.

Mr. Vimalchand Jugraj Rathod

Mr. Vimalchand Jugraj Rathod is the Managing Director of our Company. For a complete profile of Mr. Vimalchand Jugraj Rathod, *i.e.*, his age, date of birth, residential address, educational qualifications, professional experience, positions/posts held in the past, other directorships and special achievements, see "*Our Management*" on page 205.

His permanent account number is AAAPR8003Q

Other than as disclosed in "*—Promoter Group*" and "*Our Management*" on pages 227 and 205, respectively, Mr. Vimalchand Jugraj Rathod is not involved in any other venture.

Our Company confirms that the permanent account number, bank account number, passport number, Aadhaar card number and driving license number of the Promoters, as applicable, shall be submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with them.

Change in Control of our Company

There has been no change in the management or control of our Company in the last five years preceding the date of the Draft Red Herring Prospectus. The Promoters are the original promoters of our Company.

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.	Mr. Abhay Chandmal Bhandari	Brother-in-law of Mr. Khubilal Jugraj Rathod
2.	Mr. Dilip Chandmal Bhandari	Brother-in-law of Mr. Khubilal Jugraj Rathod
3.	Mr. Mohit Khubilal Rathod	Son of Mr. Khubilal Jugraj Rathod
4.	Mr. Rajesh Khubilal Rathod	Son of Mr. Khubilal Jugraj Rathod
5.	Mr. Subhash Nagraj Oswal	Brother-in-law of Mr. Vimalchand Jugraj Rathod
6.	Mr. Sumit Rathod	Son of Mr. Vimalchand Jugraj Rathod

S. No.	Name of the Individual	Relationship with the Promoters
7.	Mrs. Aruna Bapna	Sister-in-law of Mr. Vimalchand Jugraj Rathod
8.	Mrs. Mangla Bapna	Sister of Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod
9.	Mrs. Manjula Vimalchand Rathod	Wife of Mr. Vimalchand Jugraj Rathod
10.	Mrs. Nirmala Khubilal Rathod	Wife of Mr. Khubilal Jugraj Rathod
11.	Mrs. Padma Pravin Rathod	Sister-in-law of Mr. Vimalchand Jugraj Rathod
12.	Mrs. Prabha Kantilal Rathod	Sister-in-law of Mr. Khubilal Jugraj Rathod
13.	Mrs. Pushpa B. Jain	Sister of Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod
14.	Mrs. Sangita Kishor Punamiya	Sister-in-law of Mr. Vimalchand Jugraj Rathod
15.	Mrs. Sangita Rajesh Rathod(1)	Daughter-in-law of Mr. Khubilal Jugraj Rathod
16.	Mrs. Shalini Mohit Rathod(1)	Daughter-in-law of Mr. Khubilal Jugraj Rathod
17.	Mrs. Sonal Sumit Rathod(1)	Daughter-in-law of Mr. Vimalchand Jugraj Rathod
18.	Mrs. Sonali Hitesh Lalwani	Daughter of Mr. Vimalchand Jugraj Rathod
19.	Mrs. Sujata Parasmal Sanklecha	Sister-in-law of Mr. Vimalchand Jugraj Rathod
20.	Mrs. Sukhibai Chandmal Bhandari	Mother-in-law of Mr. Khubilal Jugraj Rathod
21.	Mrs. Sunita Jayesh Jain	Daughter of Mr. Khubilal Jugraj Rathod
22.	Mrs. Sweta Dhanish Mehta	Daughter of Mr. Vimalchand Jugraj Rathod
23.	Mrs. Vimla Popatlal Punamiya	Sister-in-law of Mr. Vimalchand Jugraj Rathod

(1) Also being considered as members of the Promoter Group under Regulation 2(1)(pp)(v) of the SEBI ICDR Regulations.

The entities forming part of the Promoter Group are set forth below:

*Entities controlled by the Rathod family (“**Rathod Family Promoter Group Entities**”)*

(i) Flair Pen & Plastic Industries (Firm);
(ii) Flair Pens Limited;
(iii) Flair Writing Aids (Firm);
(iv) Hauser Lifestyle Products (Firm);
(v) Pentel Stationery (India) Private Limited;
(vi) Raymak Pens LLP;
(vii) Rathod N Rathod (Firm);
(viii) Royal Pen & Plastics Industries (Firm);
(ix) M/s. Shalini Rathod (Proprietorship);
(x) Trinity Developers (Firm);

Entities controlled by relatives of the Rathod family

(xi) Aruna Plastics Packaging LLP;
(xii) Aadeshwar Exports Private Limited;
(xiii) Crescent Polytex LLP;
(xiv) Dilip Bhandari HUF;
(xv) Jai Gurudev Developers (Firm);
(xvi) Nakoda Apparels Private Limited;
(xvii) Plasti Weave Industries LLP;
(xviii) Rishabh Marbles (Firm);
(xix) Sha. Nagraj Magniram (Proprietorship);
(xx) Sisarma Plastics LLP;
(xxi) Supreme Agro Projects (Firm);
(xxii) UVM Fabrics Private Limited;
(xxiii) Venus Polytex Private Limited; and
(xxiv) VHM Textiles (Firm).

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 Whole-time Directors of our Company, (v) of unsecured loans availed from them or their relatives by our Company and the interest payable thereon, and (vi) of payment of rent or license fee for premises, including certain factory 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—Details of the Shareholding of the Promoters and members of the Promoter Group*" on page 92, and for business transactions with and for loans availed from the Promoters and the Promoter Group, see "*Restated Consolidated Financial Information—Related Party Disclosure*" on page 295. For details of remuneration payable to the Promoters and Promoter Group, see "*Our Management—Terms of Appointment of Directors*" on page 210.

Except as disclosed below, in "*Our Management—Interest of our Directors*" and in "*Restated Consolidated Financial Information—Related Party Disclosure*" on pages 213 and 295, respectively, none of the Promoters have any interest in any property acquired within the three 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 our Promoters or by such firm or company in connection with the promotion or formation of our Company.

For details of related party transactions entered into by our Company with our Promoters during the financial year immediately preceding the date of this Draft Red Herring Prospectus, see "*Restated Consolidated Financial Information—Related Party Disclosure*" page 295.

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/directors/partners, as applicable, including in the Rathod Family Promoter Group Entities, certain of which are authorized to engage in the same line of business as our Company and our Subsidiaries under their respective memorandum of association/partnership deeds. Except for Pentel Stationery (India) Private Limited which will continue to compete with our Company, the Rathod Family Promoter Group Entities have confirmed that they have no business operations currently and have expressed their intention to not commence the business of manufacturing and selling of writing instruments and to not operate in the same line of business as that of our Company and the Subsidiaries in the future. Our Company has adopted and will continue to adopt the necessary procedures and practices as permitted by law to address any conflict of interest situation, if and when such situation arises.

Also see "*Our Group Companies—Common Pursuits among the Group Companies and our Company" and* "*Risk Factors—We are dependent on the Promoters, the Directors, the Promoter Group and the Group Companies for certain aspects of our business and operations, and certain Directors, Group Companies and Promoter Group entities are engaged in business activities similar to our own, which could lead to a conflict of interest*" on pages 232 and 43, respectively.

Payment of Benefits to our Promoters or Promoter Group

Other than as disclosed in "*Restated Consolidated Financial Information – Related Party Disclosure*" and "*Our Management—Interest of our Directors*" on pages 295 and 213, respectively, 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 by the Company.

Our Company has not entered into any contract, agreement or arrangements during the two years immediately preceding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters or the Promoter Group are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made other than as disclosed in "*Restated Consolidated Financial Information – Related Party Disclosure*" on page 295.

Material guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Confirmations

Our Promoters and members of the Promoter Group have not been debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Promoters are not a promoter of any other company which is debarred from accessing capital markets by the SEBI.

None of our Promoters have been declared as a Wilful Defaulter or Fraudulent Borrower.

None of our Promoters have been declared as a Fugitive Economic Offender.

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.	Flair Kenya Limited	February 9, 2021	Resigned
2.	Flair Distributor Private Limited	March 20, 2023	Merged with our Company
Mr. Vimalchand Jugraj Rathod			
1.	Flair Kenya Limited	February 9, 2021	Resigned
2.	Flair Distributor Private Limited	March 20, 2023	Merged with our Company

OUR GROUP COMPANIES

Pursuant to the resolution passed by our Board at its meeting held on June 30, 2023, our Board has adopted a policy for determination of Group Companies (the "**Materiality Policy**") and has noted that in accordance with the SEBI ICDR Regulations, the Group Companies of our Company shall include (i) companies (other than our Subsidiaries) with which there were related party transactions as per the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus; and (ii) such other companies as considered material by the Board, *i.e.*, companies which are part of our Promoter Group and with which there were one or more transactions in the Financial Years 2023, 2022 and 2021 (*i.e.*, during the Financial Years covered in the Restated Consolidated Financial Information disclosed in this Draft Red Herring Prospectus), which individually or in the aggregate, exceed the lower of 5% of the consolidated revenue from operations of our Company or 10% of the consolidated profit after tax of our Company, each as calculated in the Restated Consolidated Financial Information for the most recent financial year.

Accordingly, in terms of the Materiality Policy adopted by our Board for determining group companies, as of the date of this Draft Red Herring Prospectus, our Board has identified the following as group companies of our Company (the "**Group Companies**"):

1. Flair Pens Limited; and
2. Pentel Stationery (India) Private Limited.

Except for Pentel Stationery (India) Private Limited, the Group Companies listed above do not have websites. Accordingly, details of financial information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value in relation to Pentel Stationery (India) Private Limited for the previous three financial years as prescribed under the SEBI ICDR Regulations will be available at its website at www.pentel.co.in and such details for Flair Pens Limited, extracted from its audited financial statements will be available on the website of our Company at www.flairworld.in ("**Group Company Financial Information**").

Our Company is providing a link to our websites where the Group Company Financial Information is available solely to comply with the requirements specified under the SEBI ICDR Regulations. The Group Company Financial Information and other information provided on the websites given below does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider to purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Details of our Group Companies

S. No.	Name	Registered Office Address	Website for Information
1.	Flair Pens Limited	63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai 400 067, Maharashtra, India	www.flairworld.in
2.	Pentel Stationery (India) Private Limited	63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai 400 067, Maharashtra, India	www.pentel.co.in

Nature and Extent of Interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired.

In transactions for acquisition of land, construction of buildings and supply of machinery

None of our Group Companies are interested in any transactions of our Company for the acquisition of land, construction of building or supply of machinery.

Related business transactions with our Group Companies and significance on the financial performance of our Company

Except as disclosed in "*Restated Consolidated Financial Information—Related Party Disclosure*" on page 295, there are no business transactions with our Group Companies which impact the financial performance of our Company.

Common Pursuits among the Group Companies and our Company

As on the date of this Draft Red Herring Prospectus, except for Pentel Stationery (India) Private Limited, which is authorized to engage in business similar to that of our Company, there are no common pursuits between our Group Companies and our Company or its Subsidiaries or associates.

Pentel Stationery (India) Private Limited is engaged in and is authorized by its constitutional documents, *inter alia*, to carry on the business of manufacturing and trading of writing instruments and allied stationery products which may result in a potential conflict of interest with our Company. Our Company has adopted and will continue to adopt the necessary procedures and practices as permitted by law to address any conflict of interest situation, if and when such situation arises. Also see "*Risk Factors—We are dependent on the Promoters, the Directors, the Promoter Group and the Group Companies for certain aspects of our business and operations, and certain Directors, Group Companies and Promoter Group entities are engaged in business activities similar to our own, which could lead to a conflict of interest*".

Business and other interests

Except as disclosed in "*Restated Consolidated Financial Information—Related Party Disclosure*" on page 295, none of our Group Companies have any business or other interest in our Company.

Certain Other Confirmations

None of the securities of our Group Companies are listed on any stock exchange. None of our Group Companies have listed debt securities. None of our Group Companies have made any public or rights issue in the three immediately preceding years.

Litigation

Our Group Companies are not party to any pending litigations which could have a material impact on our Company.

DIVIDEND POLICY

The dividend policy of our Company was adopted and approved by our Board in their meeting held on June 9, 2023 ("**Dividend Policy**"). 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.

Our Company has not declared dividends in the last three Financial Years and during the period commencing from April 1, 2023 until the date of this Draft Red Herring Prospects.

The quantum of dividend, if any, and our ability to pay dividends in the future will depend on a number of factors, including but not limited to, our Company's profits, expected future capital / expenditure requirements of the Company, organic growth plans, liquidity, our earnings outlook, general financial conditions, general economic conditions, any statutory or contractual obligations and restrictions.

The amount of dividend paid in the past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future on the Equity Shares. For details of risks in relation to our capability to pay dividend, 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 52.

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

(*The remainder of this page is intentionally left blank*)

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
TEL NO: +91 22 22816968/22834451/22819435
Email: jeswanirathore@gmail.com

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 Restated Consolidated Summary Statements in connection with the proposed Initial Public Offering of Flair Writing Industries Limited

Dear Sirs,

1. We have examined the attached Restated Consolidated Summary Statements of **Flair Writing Industries Limited** (the "Company" or the "Holding Company" or the "Issuer") and its Subsidiaries, (the Company and the Subsidiaries together referred to as "the **Group**") comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, 2022 and 2021, 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, 2023, 2022 and 2021 and the summary statement of significant accounting policies and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on June 30, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed initial public offer of equity shares of Rs. 5/- each("IPO" / "Proposed Offer") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");
   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019), issued by the Institute of Chartered Accountants of India (the "ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of the Restated Consolidated Financial Information, for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National

Stock Exchange of India Limited ("NSE" and together with BSE the "Stock Exchanges"), in connection with the proposed IPO, is the responsibility of the Management of the Company for the purpose set out in paragraph 11 below. The Restated Consolidated Financial Information have been prepared by the Management of the Company on the basis of preparation stated in Note 2 of Annexure V to the Restated Consolidated Financial Information. 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 is also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. 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 June 30, 2023 in connection with the proposed offering of equity shares of the Company;
   b) The Guidance Note. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information;
   d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

4. The Restated Consolidated Financial Information has been compiled by the Management of the Company from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2023, 2022 and 2021 prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on June 23, 2023, September 3, 2022 and November 6, 2021, respectively;

5. For the purpose of our examination, we have relied on auditors' reports issued by us dated June 23, 2023, September 3, 2022 and November 6, 2021 on the audited consolidated financial statements of the Group as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively as referred in paragraph 4 above.

Opinion

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:
   a) have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note;

b) have been prepared after incorporating adjustments in respect of changes in the accounting policies (as disclosed in Annexure VII to the Restated Financial Information), material errors, if any, and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and groupings/classifications as at and for the year ended March 31, 2023; and

c) does not contain any qualification in the auditors' reports which require any adjustments. . However, those qualifications in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act for the years ended March 31, 2023, March 31, 2022 and the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act for the year ended 31 March 2021 which do not require any adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII of the Restated Consolidated Financial Information.

7. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited consolidated financial statements mentioned in paragraph [4] above.

8. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Group as of any date or for any period subsequent to March 31, 2023.

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.

Restriction on Use

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, Stock exchanges and Registrar of Companies, Maharashtra at Mumbai in connection with the Proposed Offer. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Khubilal G Rathore
Partner
(M No.012807)
UDIN: 23012807BGXVFO6861

Place: Mumbai
Date: June 30, 2023

Flair Writing Industries Limited
CIN : U51100MH2016PLC284727
Annexure I : Restated Consolidated Statement of Assets and Liabilities

(Rs. in million)

	Particulars	Annexure VI Note	As at March 31, 2023	2022	2021
	ASSETS				
	Non-Current Assets				
a)	Property, Plant and Equipment	1	2,400.90	1,900.66	1,764.37
b)	Capital Work-in-Progress	1	16.00	17.82	-
c)	Right-of-Use Assets	2	74.77	35.91	65.15
d)	Goodwill	3	3.60	-	-
e)	Intangible Assets	4	19.98	23.53	27.37
f)	Financial Assets				
	i) Loans	5	0.29	0.36	0.10
	ii) Other Financial Assets	6	55.62	22.38	20.16
g)	Income tax assets (net)	7	0.56	0.70	-
h)	Other Non-Current Assets	8	163.82	50.97	65.66
	Total Non-Current Assets		**2,735.54**	**2,052.34**	**1,942.82**
	Current Assets				
a)	Inventories	9	2,137.61	1,842.95	1,313.85
b)	Financial Assets				
	i) Investments	10	-	-	162.67
	ii) Trade Receivables	11	1,706.72	1,469.70	1,158.40
	iii) Cash and Cash Equivalents	12	7.89	3.28	6.66
	iv) Bank Balance other than (iii) above	13	0.05	0.05	0.15
	v) Loans	5	3.28	2.23	2.12
	vi) Other Financial Assets	6	8.42	2.82	1.78
c)	Other Current Assets	8	242.31	201.57	218.19
	Total Current Assets		**4,106.28**	**3,522.60**	**2,863.82**
	Total Assets		**6,841.83**	**5,574.93**	**4,806.64**
	EQUITY AND LIABILITIES				
	Equity				
a)	Equity Share Capital	14	466.94	233.47	233.47
b)	Other Equity	15	3,882.56	2,936.32	2,382.55
	Equity attributable to equity holders of the parent		**4,349.51**	**3,169.79**	**2,616.02**
	Non controlling interest	16	2.78	-	-
	Total Equity		**4,352.29**	**3,169.79**	**2,616.02**
	Liabilities				
	Non-Current Liabilities				
a)	Financial Liabilities				
	i) Borrowings	17	418.01	734.08	1,116.11
	ii) Lease Liabilities	18	67.72	13.59	43.67
	iii) Other Financial Liabilities	19	2.60	13.04	31.94
b)	Provisions	20	63.01	60.60	53.05
c)	Deferred Tax Liabilities (Net)	21	95.65	95.11	102.45
d)	Other Non-Current Liabilities	22	2.60	3.19	2.63
	Total Non-Current Liabilities		**649.60**	**919.61**	**1,349.85**
	Current Liabilities				
a)	Financial Liabilities				
	i) Borrowings	17	737.91	529.24	187.00
	ii) Lease Liabilities	18	10.62	30.08	31.88
	iii) Trade Payables				
	(a)Dues to Micro and Small Enterprises	23	228.03	169.72	85.92
	(b)Dues to Other than Micro and Small Enterprises	23	407.63	333.20	324.96
	iv) Other Financial Liabilities	19	204.25	196.35	140.02
b)	Provisions	20	77.15	56.22	47.59
c)	Current Tax Liabilities (Net)	7	65.12	94.01	0.62
d)	Other Current Liabilities	22	109.24	76.71	22.76
	Total Current Liabilities		**1,839.94**	**1,485.53**	**840.77**
	Total Liabilities		**2,489.54**	**2,405.14**	**2,190.62**
	Total Equity and Liabilities		**6,841.83**	**5,574.93**	**4,806.64**

The above Statement should be read with the Annexure V - Basis of Preparation and the Significant Accounting Policies, Annexure VI - Notes to Restated Consolidated Financial Information and Annexure VII -Statement of Adjustments to Audited Consolidated Financial Statements.

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

Khubilal G Rathore
(Partner)
M.No. 012807

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 30, 2023

Place: Mumbai
Date: June 30, 2023

Flair Writing Industries Limited
CIN : U51100MH2016PLC284727
Annexure II : Restated Consolidated Statement of Profit and Loss

(Rs. in million)

Particulars	Annexure VI Note	For the year ended March 31, 2023	2022	2021
INCOME				
Revenue from Operations	24	9,426.60	5,773.98	2,979.88
Other Income	25	116.31	102.43	128.85
Total Income (A)		**9,542.91**	**5,876.42**	**3,108.73**
EXPENSES				
Cost of raw material and components consumed	26	5,081.51	3,336.25	1,461.04
Purchase of Stock-in-Trade	27	61.65	47.24	47.59
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	(55.47)	(301.55)	155.61
Employee Benefits Expense	29	1,173.36	878.01	583.88
Finance Costs	30	90.04	99.97	113.10
Depreciation and Amortisation Expense	31	273.41	243.66	224.34
Other Expenses	32	1,330.42	838.35	501.79
Total Expenses (B)		**7,954.93**	**5,141.93**	**3,087.36**
Restated Profit Before Tax (C=A-B)		**1,587.99**	**734.48**	**21.37**
Tax Expense				
Current Tax		404.98	190.90	2.30
Deferred Tax	21	2.01	(7.93)	9.18
Total Tax Expense (D)		**406.99**	**182.97**	**11.48**
Restated Profit for the Year (E=C-D)		**1,181.00**	**551.51**	**9.89**
Other Comprehensive Income				
Item that will not be reclassified to Profit or Loss				
i) Remeasurement gain of the Defined Benefit Plan		(2.14)	2.35	2.59
ii) Income Tax relating to above items		0.54	(0.59)	(0.65)
Restated Other Comprehensive Income for the Year (Net of Tax) (F)		**(1.60)**	**1.76**	**1.94**
Restated Total Comprehensive Income for the Year (G=E+F)		1,179.39	553.27	11.83
Restated profit for the year attributable to:				
Equity holders of the parent		1,182.11	551.51	9.89
Non-controlling interests		(1.12)	-	-
Restated Other Comprehensive Income for the Year attributable to:				
Equity holders of the parent		(1.60)	1.76	1.94
Non-controlling interests		-	-	-
Restated Total Comprehensive Income for the Year attributable to:				
Equity holders of the parent		1,180.51	553.27	11.83
Non-controlling interests		(1.12)	-	-
Restated Earnings Per Equity Share of face value of Rs.5 each				
Basic EPS (In Rs)	33	12.66	5.91	0.11
Diluted EPS (In Rs)	33	12.66	5.91	0.11

The above Statement should be read with the Annexure V - Basis of Preparation and the Significant Accounting Policies, Annexure VI - Notes to Restated Consolidated Financial Information and Annexure VII -Statement of Adjustments to Audited Consolidated Financial Statements.

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

Khubilal G Rathore
(Partner)
M.No. 012807

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 30, 2023

Place: Mumbai
Date: June 30, 2023

Flair Writing Industries Limited
CIN : U51100MH2016PLC284727
Annexure III : Restated Consolidated Statement of Cash Flows

(Rs. in million)

Sr. No.	Particulars	For the Year Ended March 31, 2023	2022	2021
A	**Cash Flow From Operating Activities**			
	Restated Profit before tax for the Year	1,587.99	734.48	21.37
	Adjusted for:			
	Depreciation and Amortisation Expense	273.41	243.66	224.34
	Deferred Income - Government Grant			
	Profit/(Loss) of sales of Property, Plant and Equipment	0.04	(0.49)	(21.89)
	Provision For Doubtful Debts	10.33	1.93	-
	Gain on sales of Liquid Fund	-	(3.08)	(0.56)
	Interest Income	(5.63)	(7.42)	(28.51)
	Interest and other finance cost	81.63	86.30	105.48
	Interest on Leased Assets	3.36	5.29	7.62
	Operating Profit Before Working Capital changes	**1,951.13**	**1,060.67**	**307.85**
	Working capital adjustments:			
	(Increase)/Decrease in Inventories	(294.66)	(529.10)	187.93
	(Increase)/Decrease in Trade Receivables	(247.35)	(313.23)	626.39
	(Increase)/Decrease in Loans	(0.99)	(0.37)	0.80
	(Increase)/Decrease in Other Financial Assets	(38.84)	(3.26)	(1.35)
	(Increase)/Decrease in Other Non-Current/Current Assets	(153.60)	31.52	(24.36)
	increase/(Decrease) in Trade Payables	132.74	92.04	(321.48)
	increase/(Decrease) in Other Financial Liabilities	(2.54)	37.42	(117.56)
	increase/(Decrease) in Provisions	21.74	17.94	12.89
	increase/(Decrease) in Other Non-Current/Current Liabilities	30.33	64.34	(64.78)
	Cash Generated From Operations	**1,397.96**	**457.97**	**606.34**
	Income Taxes Paid (net)	(433.58)	(107.54)	(2.39)
	Net Cash Generated From Operating Activities (A)	**964.38**	**350.43**	**603.94**
B	**Cash Flow From Investing Activities**			
	Proceeds from sale of Property, Plant and Equipment	3.18	24.28	52.46
	Purchase of Property, Plant and Equipment and Intangible Asset	(744.75)	(392.43)	(103.68)
	Purchase of Investment in Mutual Funds	-	-	(135.11)
	Proceeds from Sale of Investment in Mutual Funds	-	165.75	-
	Interest Income	5.63	7.42	28.51
	Net Cash Flow used in Investing Activities (B)	**(735.94)**	**(194.97)**	**(157.82)**
C	**Cash Flow From Financing Activities**			
	Loan Taken/(Repaid)	(107.40)	(39.80)	(337.68)
	Interest on Loan	(81.63)	(86.30)	(105.48)
	Payment of principal portion of lease liabilities	(34.30)	(32.73)	(32.12)
	Net Cash Used In Financing Activities (C)	**(223.33)**	**(158.83)**	**(475.28)**
D	**Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)**	5.11	(3.38)	(29.16)
	Add: Cash and cash equivalents pursuant to business combination (Refer Note No. 47)	(0.50)	-	-
	Opening Balance of Cash and Cash Equivalents	3.28	6.66	35.83
	Closing Balance of Cash and Cash Equivalents	**7.89**	**3.28**	**6.66**
	Components of Cash and Cash Equivalents			
	Cash on Hand	1.94	1.33	1.24
	Balances with scheduled banks			
	- in Current Accounts	1.65	0.68	2.14
	- in Cash Credit			
	- in EEFC Account	4.31	1.27	3.22
	- in deposits account with original maturity of less than three	-	-	0.06
	Total Cash and Cash Equivalents	**7.89**	**3.28**	**6.66**

Notes:

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

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)

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

Khubilal G Rathore
(Partner)
M.No. 012807

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 30, 2023

Place: Mumbai
Date: June 30, 2023

Flair Writing Industries Limited
CIN : U51100MH2016PLC284727
Annexure IV : Restated Consolidated Statement of Changes in Equity

a. Equity share capital:

(Rs. in million)

Particulars	Annexure VI Note	Number of Shares	Amount
i) Equity Shares of INR 10 each Issued, Subscribed and Fully Paid Up			
As at April 01, 2020		23,347,200	233.47
Change in Equity Share Capital during the year		-	-
Balance as at March 31, 2021	14	**23,347,200**	**233.47**
Change in Equity Share Capital during the year		-	-
Balance as at March 31, 2022	14	**23,347,200**	**233.47**
Change in Equity Share Capital during the year		70,041,600	233.47
Balance as at March 31, 2023	14	**93,388,800**	**466.94**

Refer Accounting for Amalgamation in Note 2.1(d) 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 by Rs. 0.10 million in Financial Year 2022-23.

#Pursuant to resolutions passed by the Board at their meeting dated March 18, 2023 and the Shareholders at their extraordinary general meeting dated March 20, 2023, the Company has sub-divided its equity shares of face value of Rs10 each to Equity Shares of face value of Rs Rs. 5 each. Further the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 1:1 i.e. one bonus equity share for each existing equity share. The record date for the transactions is March 24, 2023.

b. Other equity

(Rs. in million)

Particulars	Reserves and Surplus		Other Reserve	Total equity attributable to equity holders of the Company	Non-Controlling Interests	Total
	Securities premium	Retained earnings	Other Comprehensive Income			
As at April 1, 2020	195.64	2,207.54	(32.46)	2,370.72	-	2,370.72
Restated profit for the year	-	9.89	-	9.89	-	9.89
Restated other comprehensive income/(loss)	-	-	1.94	1.94	-	1.94
As at March 31, 2021	**195.64**	**2,217.43**	**(30.52)**	**2,382.55**	**-**	**2,382.55**
As at April 1, 2021	195.64	2,217.43	(30.52)	2,382.55	-	2,382.55
Restated profit for the year	-	551.51	-	551.51	-	551.51
Add: Amortization Expenses of Lease deposit of earlier Years	-	0.50	-	0.50	-	0.50
Restated other comprehensive income/(loss)	-	-	1.76	1.76	-	1.76
As at March 31, 2022	**195.64**	**2,769.44**	**(28.76)**	**2,936.32**	**-**	**2,936.32**
As at April 1, 2022	195.64	2,769.44	(28.76)	2,936.32	-	2,936.32
Restated profit for the year	-	1,182.11	-	1,182.11	-	1,182.11
Impact of business combination		(0.79)	-	(0.79)	2.78	(3.57)
Less : Issue of Bonus share	195.64	37.84	-	233.47	-	233.47
Restated other comprehensive income/(loss)	-	-	(1.60)	(1.60)	-	(1.60)
As at March 31, 2023	**-**	**3,912.92**	**(30.36)**	**3,882.56**	**2.78**	**3,879.79**

The above Statement should be read with the Annexure V - Basis of Preparation and the Significant Accounting Policies, Annexure VI - Notes to Restated Consolidated Financial Information and Annexure VII -Statement of Adjustments to Audited Consolidated Financial Statements.

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)

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

Khubilal G Rathore
(Partner)
M.No. 012807

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 30, 2023

Place: Mumbai
Date: June 30, 2023

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1 Company Overview

Flair Writing Industries Limited ("the Holding Company" or "the Parent Company") is a public limited Company domiciled in India, and has it's registered office situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai - 400 067, Maharashtra, India.

The Holding Company and its subsidiaries (collectively referred as "Group") are principally engaged in the manufacturing and trading of writing instruments and it's allied and one of the subsidiaries is engaged in the business of manufacturing of dinnerware, tableware, opal ware, plastic moulded household articles, thermo ware, insulated, household, housewares, and other lifestyle products.

The Restated Consolidated Financial Information was approved for issue in accordance with resolution of the Board on June 30, 2023.

2 Significant Accounting Policies

Significant accounting policies adopted by the Group are as under:

2.1. Basis of preparation of Restated Consolidated Financial Information

a) Statement of compliance

The Restated Consolidated Financial Information of the Group comprise of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the related Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for years ended March 31, 2023, March 31, 2022 and March 31, 2021, and the Significant Accounting Policies and explanatory notes (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Holding Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of equity shares of face value of Rs. 5/- each of the Company (the "Offer"), prepared by the Holding Company in terms of the requirements of:

i. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
ii. ICDR Regulations; and
iii. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

These Restated Consolidated Financial Information have been compiled by the Management from the audited consolidated financial statements of the Group as at and for year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 23, 2023, September 3, 2022 and November 6, 2021. Further

- **i.** there were no material audit qualifications on these financial statements,
- **ii.** there were no changes in accounting policies during the years of these financial statements,
- **iii.** 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
- **iv.** 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 accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information are consistent with those adopted in the preparation of Statutory Consolidated Financial Statements for the year ended March 31, 2023. These Restated Consolidated Financial Information have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective as at March 31, 2023.

The Restated Consolidated Financial Information are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR or Rs. Million, except when otherwise indicated.

b) Historical Cost Convention

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

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefits plan - plan assets measured at fair value;

c) Rounding of amounts

All amounts disclosed in the Restated Consolidated Financial Information and notes have been rounded off to the nearest million or decimal thereof as per the requirement of Schedule III, unless otherwise stated.

d) Business Combination

- The entire business and the whole of the undertaking of Flair Distributor Private Limited, as a going concern stood transferred to and vested in the Company with effect from April 01, 2020, being the Appointed Date.

- **Accounting for Amalgamation**

  The accounting treatment given to the said amalgamation is in the nature of, pooling of interest method, as given in, Ind AS 103 – Business Combinations. Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

i. The assets and liabilities of the combining entities are reflected at their carrying amounts as on the Appointed Date.

ii. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

iii. The financial information presented in respect of prior periods is restated as if the business combination had occurred from the beginning of the earliest period in the financial information, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

iv. The balance of the retained earnings appearing in the Financial Information of the transferor is aggregated with corresponding balance appearing in the Financial Information of the transferee or is adjusted against capital reserve.

v. The identity of the reserves shall be preserved and shall appear in the Financial Information of the transferee in the same form in which they appeared in the Financial Information of the transferor.

vi. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserves.

vii. Inter-company balances, investments and transactions if any, stood cancelled

viii. 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.

As per clause 11 of the merger order, the Shares held by the Transferee Company shall stand cancelled and extinguished pursuant to the implementation of the Scheme of Amalgamation. Hence the Company has not issued equity share to the equity shareholders of the respective Transferor Company whose names appeared in the Register of Members, on the record date.

2.2. Basis and Procedures of Consolidation:

The Restated Consolidated Financial Information comprise the Financial Statements of the Company and its subsidiaries for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity’s returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences until the date control ceases. The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The details of subsidiaries considered in this Restated Consolidated Financial Information is

Sr. No	Name of Entity	Date of Acquisition	Country of Incorporation	Percentage of Ownership
1	Flair Writing Equipments Private Limited	November 4, 2019	India	100%
2	Flair Cyrosil Industries Private Limited	October 22, 2022	India	90%

The Restated Financial Information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2023, March 31, 2022 and March 31, 2021.

Consolidation Procedure:

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.

Non-controlling Interest

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Changes in the Group's equity interest in a subsidiary that do not result in loss of control are accounted for as equity transaction. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3 Summary of Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Restated Consolidated Financial Information. These policies have been consistently applied to all the years.

3.1. Use of estimates and judgements

The preparation of the Restated Consolidated Financial Information requires that the Management of the Company to make judgments, 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 and measurement of defined benefit obligations**

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

- **Application of Discount Rates**

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

- **Current versus non-current classification**

All the Assets and Liabilities have been classified as Current or Non- Current as per the Group's normal operating cycle 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.

- **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. Recognition and measurement:

- **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.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. 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.

The carrying amount of any component accounted for as a separate asset is derecognised when discarded/scrapped. All other repairs and maintenance costs are charged to profit and loss in the reporting period in which they occur.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under other assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.
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.

ii. <u>Depreciation</u>

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method considering the nature, estimated usage, operating conditions, past history of replacement and anticipated technological changes. Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of property, plant and equipment, which are different from those prescribed in Schedule II of the Act.

The useful life of major assets is as under:

Assets	**Useful life**
Freehold Building	30years
Furniture & Fixtures	10 years
Electrical Installation	10 years
Office Equipments	5 years
Plant & Machinery	15 years
Factory Equipments	5 years
Motor Vehicles	8 years
Two Wheelers	10 years
Mould	8 years
Computer Equipments	3 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end with the effect of any changes in the estimate accounted for on a prospective basis.

iii. **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.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortisation of intangible assets is calculated over the management's estimated useful lives as mentioned below:

Assets	Amortised in
Trademarks	10 years
Web Designing	10 years

Amortization methods and useful lives are reviewed periodically including at each financial year end.

Software not exceeding Rs.25,000 is charged off to the statement of profit and loss

iv. **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.

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 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. 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.

i. **Financial assets**

a. **Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either though other comprehensive income, or through profit and loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

For investments in debt instruments, this will depend on business model in which the investment is held.

For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

b. <u>Initial Recognition</u>

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

c. <u>Measurement</u>

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

- **Cash and cash equivalents:**

The Group's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks (three months or less from the date of acquisition). For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks (three months or less from the date of acquisition), net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

- **Financial assets carried at amortised cost:**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows 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 amount outstanding.

- **Financial assets at fair value through other comprehensive income (FVOCI):**

A financial asset is subsequently measured at fair value through other comprehensive income 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 amount outstanding.

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income."

- **Financial assets at fair value through profit or loss (FVTPL):**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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)

<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 Receivable

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

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

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

Following is the policy for specific financial assets:-

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

e. Derecognition of financial assets:

The Company derecognizes a financial asset when

- the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109.
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

ii. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost:

Borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

c. De-recognition of Financial Instruments

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4. Derivative financial instruments and hedge accounting

The Group is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency. The Group limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Group enters into derivative financial instruments where the counterparty is primarily a bank.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

3.5. Inventories

Inventories include Raw Materials and stores, Semi-Finished Goods, Finished Goods, Stock-in-Trade, Packing Materials, and Stores and Spares.

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials and stores comprises cost of purchases. Cost of purchase is determined after deducting rebates and discounts.

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.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. The fixed overhead expenditure is allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first out basis.

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Cost of traded goods comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

3.6. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

i. Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

ii. Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Restated Consolidated Financial Information. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iii. Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.7. Revenue Recognition

The Group manufactures/ trades and sells writing instruments and it's allied. Revenue from contracts with customers involving sale of these goods is recognized at a point in time when control of the goods has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods are shipped to specific location and control has been transferred to the customers. The Group has objective evidence that all criterions for acceptance have been satisfied.

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

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

Sale of 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, Credit under MEIS, RODTEP, 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. Interest income is included in other income in the Restated Consolidated Statement of Profit and Loss.

3.8. 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.

3.9. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group's lease asset classes primarily comprise of lease for land and building. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of respective leases.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

3.10. <u>Government Grants</u>

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

- Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

- Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income. 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.

3.11. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the Financial Information.

3.12. 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 have been issued upon conversion of all the dilutive potential equity shares.

3.13. Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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.

- For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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. Foreign currency translation

➢ **Functional and presentation currency**

Items included in the Financial Information are measured using the currency of the primary economic environment in which the company operates (that is 'functional currency'). The financial statements are presented in INR which is the Company's functional and presentation currency.

➢ **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

3.17. Provisions and Contingent Liabilities

➢ **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are determined at present value based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

➢ **Contingent Liabilities**

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, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

3.18. 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.

3.19. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

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(Rs. in million)

Particulars	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Factory Equipments	Computer Equipment	Furniture & Fixtures	Mould	Electrical Installation	Two Wheeler	Vehicles	Total	Capital Work In Progress
Note 1 : Property, Plant and Equipment													
Gross carrying value as on April 01, 2020	34.29	467.47	1,203.72	9.58	44.82	16.30	53.32	534.90	84.11	0.52	51.27	2,500.29	10.82
Additions	-	29.90	29.27	0.80	3.38	1.14	2.07	38.55	0.60	1.07	6.78	113.57	-
Disposals/ adjustments	-	33.91	11.22	0.08	0.24	-	2.14	-	4.61	-	3.53	55.73	10.82
Gross carrying value as on March 31, 2021	**34.29**	**463.46**	**1,221.76**	**10.31**	**47.96**	**17.44**	**53.26**	**573.45**	**80.10**	**1.59**	**54.52**	**2,558.13**	**-**
Accumulated depreciation as on April 01, 2020	-	39.21	322.52	5.49	17.90	11.48	15.78	176.78	23.11	0.19	11.85	624.30	-
Depreciation	-	15.10	78.46	1.60	7.93	2.58	5.53	66.70	8.56	0.11	7.66	194.22	-
Disposals/ adjustments	-	10.90	4.87	0.08	0.24	-	1.95	-	3.49	-	3.22	24.76	-
Accumulated depreciation as on March 31, 2021	**-**	**43.40**	**396.11**	**7.01**	**25.58**	**14.06**	**19.36**	**243.48**	**28.17**	**0.30**	**16.29**	**793.77**	**-**
Net carrying value as on March 31, 2021	**34.29**	**420.05**	**825.65**	**3.29**	**22.38**	**3.38**	**33.90**	**329.97**	**51.93**	**1.29**	**38.24**	**1,764.37**	**-**
Gross carrying value as on April 01, 2021	34.29	463.46	1,221.76	10.31	47.96	17.44	53.26	573.45	80.10	1.59	54.52	2,558.13	-
Additions	161.05	-	117.36	1.09	10.79	4.86	6.35	46.03	14.20	0.37	11.47	373.57	17.82
Disposals/ adjustments	-	4.31	17.74	-	-	-	-	13.38		-	5.54	40.96	-
Gross carrying value as on March 31, 2022	**195.35**	**459.14**	**1,321.38**	**11.40**	**58.75**	**22.30**	**59.61**	**606.10**	**94.30**	**1.96**	**60.46**	**2,890.74**	**17.82**
Accumulated depreciation as on April 01, 2021	-	43.40	396.11	7.01	25.58	14.06	19.36	243.48	28.17	0.30	16.29	793.77	-
Depreciation	-	14.79	98.89	1.22	7.92	2.16	5.69	66.03	8.41	0.16	8.23	213.49	-
Disposals/ adjustments	-	-	6.62	-	-	-	-	6.64	-	-	3.92	17.18	-
Accumulated depreciation as on March 31, 2022	**-**	**58.20**	**488.38**	**8.23**	**33.50**	**16.22**	**25.05**	**302.87**	**36.58**	**0.46**	**20.60**	**990.08**	**-**
Net carrying value as on March 31, 2022	**195.35**	**400.95**	**833.01**	**3.17**	**25.25**	**6.09**	**34.55**	**303.23**	**57.72**	**1.50**	**39.86**	**1,900.66**	**17.82**
Gross carrying value as on April 01, 2022	195.35	459.14	1,321.38	11.40	58.75	22.30	59.61	606.10	94.30	1.96	60.46	2,890.74	17.82
Additions	43.49	-	417.70	4.45	23.91	4.16	17.28	145.28	21.93	0.18	66.83	745.21	16.00
Transfer from Subsidary Co. (FCIPL)	-	-	-	-	-	-	-	-	-	-	-	-	2.96
Disposals/ adjustments	-	-	1.71	-	-	-	-	-	-	0.09	12.05	13.85	20.79
Gross carrying value as on March 31, 2023	**238.83**	**459.14**	**1,737.37**	**15.85**	**82.66**	**26.47**	**76.89**	**751.38**	**116.23**	**2.04**	**115.25**	**3,622.11**	**16.00**

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(Rs. in million)

Particulars	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Factory Equipments	Computer Equipment	Furniture & Fixtures	Mould	Electrical Installation	Two Wheeler	Vehicles	Total	Capital Work In Progress
Accumulated depreciation as on April 01, 2022	-	58.20	488.38	8.23	33.50	16.22	25.05	302.87	36.58	0.46	20.60	990.08	-
Depreciation	-	14.94	115.79	1.36	9.02	2.52	6.49	72.72	9.20	0.18	9.54	241.76	-
Disposals/ adjustments	-	-	1.60	-	-	-	-	-	-	0.09	8.95	10.63	-
Accumulated depreciation as on March 31, 2023	**-**	**73.13**	**602.57**	**9.59**	**42.51**	**18.74**	**31.54**	**375.59**	**45.78**	**0.55**	**21.19**	**1,221.20**	**-**
Net carrying value as on March 31, 2023	**238.83**	**386.01**	**1,134.80**	**6.25**	**40.15**	**7.73**	**45.35**	**375.79**	**70.44**	**1.49**	**94.06**	**2,400.90**	**16.00**

Ageing for Capital Work In Progress is as follows:

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16.00	-	-	-	16.00
Total	**16.00**	**-**	**-**	**-**	**16.00**

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17.82	-	-	-	17.82
Total	**17.82**	**-**	**-**	**-**	**17.82**

As at March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Note:

1) Movable Property, Plant and Eqipment are hypothecated against cash credit facilities availed by the Group amounting to Rs. 1,215 million.

2) Disclosure of contractual commitments for the acquisition of property, plant and equipment has been provided in note 44.

3) The Group undisputedly possesses the title deeds for all immovable properties held by the Group, presented under 'Freehold land' and 'Buildings' in the above note.

Note 2 : Right-of-Use Assets

a) This note provide information for leases where the Group is a lessee. The Group leases various offices and has taken land on long term lease from the Promoters for 25 years. The leases for offices are typically for 5 years with mutually exercisable extension option at the end of term.

Following are the changes in the carrying value of right of use assets (ROU assets) :

Particulars	Leased Assets		
	March 31, 2023	March 31, 2022	March 31, 2021
Balance as on April 01,	137.13	142.05	142.05
Additions	65.61		-
Disposals/ adjustments	-	4.92	-
Gross carrying value as on March 31,	**202.74**	**137.13**	**142.05**
Accumulated depreciation as on April 01,	101.22	76.90	51.59
Depreciation for the year	26.75	25.30	25.30
Disposals/ adjustments	-	0.98	-
Accumulated depreciation as on March 31,	**127.97**	**101.22**	**76.90**
Net carrying value as on March 31,	**74.77**	**35.91**	**65.15**

b) The following is the break-up of current and non-current lease liabilities :

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Current lease liabilities	10.62	30.08	31.88
Non-current lease liabilities	67.72	13.59	43.67
Total	**78.34**	**43.67**	**75.56**

c) The following is the carrying value of lease liability and movement thereof :

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Balance as of April 01	43.67	75.56	100.05
Additions	65.61	-	-
Reversal	-	4.44	-
Finance cost accrued during the period (included in finance cost)	3.36	5.29	7.62
Payment of lease liabilities	34.30	32.73	32.12
Balance as of March 31	**78.34**	**43.67**	**75.56**

d) The maturity analysis of lease liabilities are as follows:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Lease obligations			
Not later than one year	17.24	32.79	32.73
Later than one year and not later than five years	70.09	5.35	38.14
Later than five years	23.60	25.01	28.75
Interest expense			
Not later than one year	6.62	2.71	5.29
Later than one year and not later than five years	15.19	4.80	6.39
Later than five years	10.79	11.96	12.38

e) The weighted average incremental borrowing rate applied to lease liabilities is 9%

NOTE 3:- GOODWILL

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Cost:			
Balance at the beginning of the year	-	-	-
Acquired pursuant to business combination (refer note 47)	3.60	-	-
Balance at the end of the year (a)	3.60	-	-
Accumulated impairment			
Balance at the beginning of the year	-	-	-
Impairment	-	-	-
Balance at the end of the year (b)	-	-	-
Net book value (a-b)	**3.60**	**-**	**-**

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(Rs. in million)

Particulars	Trade Mark	Web Designing	Total
Note 4 : Intangible Assets			
Gross carrying value as on April 01, 2020	43.75	0.59	44.34
Additions	0.93	-	0.93
Disposals/ adjustments	-	-	-
Gross carrying value as on March 31, 2021	**44.69**	**0.59**	**45.27**
			-
Accumulated amortisation as on April 01, 2020	12.83	0.26	13.09
Amortisation for the year	4.74	0.07	4.82
Disposals/ adjustments	-	-	-
Accumulated amortisation as on March 31, 2021	**17.57**	**0.34**	**17.91**
			-
Net carrying value as on March 31, 2021	**27.12**	**0.25**	**27.37**
			-
Gross carrying value as on April 01, 2021	44.69	0.59	45.27
Additions	1.03	-	1.03
Disposals/ adjustments	-	-	-
Gross carrying value as on March 31, 2022	**45.72**	**0.59**	**46.30**
			-
Accumulated amortisation as on April 01, 2021	17.57	0.34	17.91
Amortisation for the year	4.79	0.07	4.86
Disposals/ adjustments	-	-	-
Accumulated amortisation as on March 31, 2022	**22.36**	**0.41**	**22.77**
			-
Net carrying value as on March 31, 2022	**23.36**	**0.18**	**23.53**
			-
Gross carrying value as on April 01, 2022	45.72	0.59	46.30
Additions	1.33	-	1.33
Transfer from Subsidary Co. (FCIPL)	0.03	-	0.03
Disposals/ adjustments	-	-	-
Gross carrying value as on March 31, 2023	**47.07**	**0.59**	**47.66**
			-
Accumulated amortisation as on April 01, 2022	22.36	0.41	22.77
Amortisation for the year	4.85	0.06	4.91
Disposals/ adjustments	-	-	-
Accumulated amortisation as on March 31, 2023	**27.21**	**0.47**	**27.68**
			-
Net carrying value as on March 31, 2023	**19.86**	**0.12**	**19.98**

(Rs. in million)

Particulars	As at March 31,		
	2023	2022	2021
Note 5 : Loans			
Non- Current			
(unsecured, considered good unless otherwise stated)			
Loans to Employees #	0.29	0.36	0.10
Total	**0.29**	**0.36**	**0.10**
Current			
(unsecured, considered good unless otherwise stated)			
Loans to Employees #	3.28	2.23	2.12
Total	**3.28**	**2.23**	**2.12**
# Loans classified as "Current" are repayable on demand and Loans classified as "Non-Current" are re-payable within 2 to 3 years. Further the said loans are carried at amortised cost.			
Note 6 :Other Financial Assets			
Non- Current			
(unsecured, considered good unless otherwise stated)			
Security and Other Deposits	24.46	21.50	18.95
Margin Money with Banks	-	-	0.49
Bank Deposits (Maturity more than 12 months)	29.58	0.24	0.07
Interest Receivable	0.93	-	-
Other Deposits	0.65	0.65	0.65
Total	**55.62**	**22.38**	**20.16**
Current			
(unsecured, considered good unless otherwise stated)			
Security and Other Deposits	8.42	0.24	0.24
Margin Money with Banks	-	0.50	-
Interest Receivable	-	0.08	0.07
Derivatives Financial Assets	-	2.00	1.47
Total	**8.42**	**2.82**	**1.78**
# includes deposits having restrictive use on account of:			
Pledged with Government Authorities	29.58	0.24	0.07
Note 7 : Income Tax Assets and Liabilities			
Non-Current Tax Assets			
Income Tax Assets (Net of Provision for Income Tax)	0.56	0.70	-
Total	**0.56**	**0.70**	**-**
Current Tax Liabilities			
Tax Expenses (Net of Advance Tax)	65.12	94.01	0.62
Total	**65.12**	**94.01**	**0.62**

(Rs. in million)

Particulars	As at March 31,		
	2023	2022	2021
Note 8 : Other Assets			
Non- Current			
(unsecured, considered good unless otherwise stated)			
Balance with Government Authorities	4.97	8.51	15.36
Capital Advances	142.14	22.69	32.75
Prepaid expenses	0.79	0.87	1.14
Other Receivable #	15.91	18.89	16.41
Total	**163.82**	**50.97**	**65.66**
Current			
(unsecured, considered good unless otherwise stated)			
Balance with Government Authorities	98.09	73.80	143.92
Advances to Suppliers and Others	118.67	77.21	57.04
Prepaid expenses	8.13	8.13	5.71
Preliminary Expenses	3.00	-	-
Other Receivable	14.42	42.43	11.52
Total	**242.31**	**201.57**	**218.19**

Other Receivable includes Insurance Claim Receivable amounting to Rs.15.91 Million in F.Y. 22-23 (Rs. 18.89 Million in F.Y. 21-22 and Rs. 16.41 Million in F.Y. 20-21).

Particulars	2023	2022	2021
Note 9 :Inventories #			
Raw and Packing Materials & Others	946.89	701.44	471.46
Raw and Packing Materials (In Transit)	0.20	13.35	15.71
Semi-Finished Goods	667.77	700.53	472.35
Semi-Finished Goods (In Transit)	25.79	5.73	0.19
Finished Goods	443.14	279.52	325.95
Stock of Spares	21.68	14.79	14.86
Finished Goods (Traded Goods)	32.14	127.60	13.33
Total	**2,137.61**	**1,842.95**	**1,313.85**

The Inventories has been valued as per Note 3.5 of Significant Accounting Policies.

Inventories are hypothecated against cash credit facilities availed by the Group amounting to Rs. 1,215 Million.

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Note 10 : Investments			
Current			
Investment in Mutual Fund-Quoted- at Fair Value Through Profit and Loss (FVTPL)	-	-	162.67
NIL Units (32647.58 Units of Nippon India Liquid Fund-Growth Option in 2020-21)			
Total	**-**	**-**	**162.67**
Aggregate Book Value of Quoted Investments	**-**	**-**	**162.67**
Aggregate Market Value of Quoted Investments	**-**	**-**	**163.15**
Aggregate Value of Quoted Investments measured at Amortised Cost	**-**	**-**	**162.67**
Note 11 :Trade Receivables			
Unsecured, Considered good			
Trade Receivables #			
- Others	1,709.30	1,470.33	1,152.36
- Related Parties (Refer Note 39)	9.67	1.30	6.04
	1,718.97	**1,471.63**	**1,158.40**
Less: Allowance for Expected Credit Loss	12.26	1.93	-
Total	**1,706.72**	**1,469.70**	**1,158.40**

Trade Receivable are hypothecated against cash credit facilities availed by the Group amouning to Rs. 1,215 Million.

Trade Receivables ageing schedule:

(Rs. in million)

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More Than 3 year	
As at March 31, 2023						
Undisputed trade receivables – considered good	1,646.88	34.47	13.91	5.62	8.41	1,709.30
Undisputed trade receivables – considered good Related Party (Refer Note 39)	9.67	-	-	-	-	9.67
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	(2.09)	(2.69)	(0.19)	(7.29)	(12.26)
Total	**1,656.55**	**32.38**	**11.22**	**5.43**	**1.13**	**1,706.72**

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More Than 3 year	
As at March 31, 2022						
Undisputed trade receivables – considered good	1,394.85	31.98	15.40	22.04	6.07	1,470.33
Undisputed trade receivables – considered good Related Party (Refer Note 39)	0.98	0.32	-	-	-	1.30
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	(0.01)	(0.32)	(1.60)	(1.93)
Total	**1,395.83**	**32.30**	**15.39**	**21.73**	**4.46**	**1,469.70**
As at March 31, 2021						
Undisputed trade receivables – considered good	1,034.75	17.21	87.44	6.87	4.15	1,150.43
Undisputed trade receivables – considered good Related Party (Refer Note 39)	5.50	0.54	-	-	-	6.04
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	0.01	0.32	1.10	0.51	1.93
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**1,040.25**	**17.76**	**87.76**	**7.97**	**4.66**	**1,158.40**

(Rs. in million)

Particulars	As at March 31,		
	2023	2022	2021
Note 12 : Cash and Cash Equivalents			
Cash on Hand	1.94	1.33	1.24
Balances with Banks			
- In Current Accounts	1.65	0.68	2.14
- In EEFC Accounts	4.31	1.27	3.22
Deposits with original maturity of less than three months	-	-	0.06
Total	**7.89**	**3.28**	**6.66**
Note 13 : Other Bank Balances			
Deposits with original maturity of more than three months but less than twelve months	0.05	0.05	0.15
Total	**0.05**	**0.05**	**0.15**

(Rs. in million)

Particulars	As at March 31, 2023	2022	2021
Note 14 : Equity Share Capital			
Authorised Share Capital			
11,00,00,000 Equity Shares of Rs 5/- each fully paid up (P.Y. 3,00,00,000 Equity Shares of Rs 10/- each)	550.00	300.00	300.00
	550.00	**300.00**	**300.00**
Issued, Subscribed and Fully paid up			
9,33,88,800 Equity Shares of Rs 5/- each (P.Y. 2,33,47,200 Equity Shares of Rs 10/- each)	466.94	233.47	233.47
	466.94	**233.47**	**233.47**

Refer Accounting for Amalgamation in Note 2.1 (d) 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 by Rs. 0.10 million in Financial Year 2022-23.

#Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on March 20, 2023, the authorised share capital of the Company stands increased to Rs. 550 million. Further the face value of one Equity Share of face value of Rs. 10 each is sub-divided into two equity share of Rs. 5 each fully paid up.

Notes:

a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year: **(Rs. in million)**

Issued, Subscribed and Fully paid up share capital	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	23,347,200	233.47	23,347,200	233.47	23,347,200	233.47
Movement during the year						
Shares issued during the year	-	-	-	-	-	-
Equity shares arising on sub-division of share from Rs.10 each to Rs. 5 each	23,347,200	-	-	-	-	-
Bonus shares issued during the year	46,694,400	233.47	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Balance as at the end of the year	**93,388,800**	**466.94**	**23,347,200**	**233.47**	**23,347,200**	**233.47**

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

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% of share Holding	Number of Shares	% of share Holding	Number of Shares	% of share Holding
Equity Shares						
Khubilal J. Rathod	18,677,760	20%	4,669,440	20%	4,669,440	20%
Vimalchand J. Rathod	14,008,320	15%	3,502,080	15%	3,502,080	15%
Rajesh K. Rathod	9,338,880	10%	2,334,720	10%	2,334,720	10%
Mohit K. Rathod	9,338,880	10%	2,334,720	10%	2,334,720	10%
Sumit V. Rathod	9,338,880	10%	2,334,720	10%	2,334,720	10%
Nirmala K. Rathod	9,338,880	10%	2,334,720	10%	2,334,720	10%
Manjula V. Rathod	9,338,880	10%	2,334,720	10%	2,334,720	10%

c) Pursuant to resolutions passed by the Board at their meeting dated March 18, 2023 and the Shareholders at their extraordinary general meeting dated March 20, 2023, the Company has sub-divided its equity shares of face value of Rs10 each to Equity Shares of face value of Rs 5 each. Further the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 1:1 i.e. one bonus equity share for each existing equity share. The record date for the transactions is March 24, 2023.

d) Rights/Preference/Restriction attached to Equity Shares

The Company has only one class of Equity shares having par value of Rs 5 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 does not have any Holding Company.

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

Shares held by promoters at the end of the year 31st March 2023

Promoter Name	No. of Shares	% of total shares	% Change during the year
Khubilal J. Rathod	18,677,760	20%	-
Vimalchand J. Rathod	14,008,320	15%	-
Total	**32,686,080**	**35%**	

Shares held by promoters at the end of the year 31st March 2022

Promoter Name	No. of Shares	% of total shares	% Change during the year
Khubilal J. Rathod	4,669,440	20%	-
Vimalchand J. Rathod	3,502,080	15%	-
Total	**8,171,520**	**35%**	

Shares held by promoters at the end of the year 31st March 2021

Promoter Name	No. of Shares	% of total shares	% Change during the year
Khubilal J. Rathod	4,669,440	20%	-
Vimalchand J. Rathod	3,502,080	15%	-
Total	**8,171,520**	**35%**	

Note 15: Other Equity

(Rs. in million)

Particulars	**As at March 31,**		
	2023	**2022**	**2021**
i)Reserves and Surplus			
a) Retained Earnings			
Balance at the beginning of the year	2,769.44	2,217.43	2,207.54
Add: Profit for the year	1,182.11	551.51	9.89
Add: Amortization Expenses of Lease deposit of earlier Years	-	0.50	-
Add: Impact of business combination	(0.79)	-	-
Less: Bonus Shares Issued during the year	37.84	-	-
Balance at the end of the year	**3,912.92**	**2,769.44**	**2,217.43**
b) Securities Premium			
Balance at the beginning of the year	195.64	195.64	195.64
Less: Bonus Shares Issued during the year	195.64	-	-
Balance at the end of the year	**-**	**195.64**	**195.64**
Total Reserves and Surplus (a+b)	**3,912.92**	**2,965.08**	**2,413.07**
ii) Other items of Other Comprehensive Income			
Balance at the beginning of the year	(28.76)	(30.52)	(32.46)
Re-measurement Gains/(Losses) on Defined Benefit Plans	(1.60)	1.76	1.94
Balance at the end of the year	**(30.36)**	**(28.76)**	**(30.52)**
Balance at the end of the year of other equity (i+ii)	**3,882.56**	**2,936.32**	**2,382.55**

Nature and purpose of reserve:

The amount that can be distributed by the Group as dividends to its equity shareholders, is determined based on the requirements of Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Securities premium is used to record premium on issue of shares. This reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Note 16 : Non-controlling Interest

Non-controlling interests	2.78	-	-
Balance at the end of the year	**2.78**	**-**	**-**

(Rs. in million)

Particulars	As at March 31,		
	2023	2022	2021
Note 17 : Borrowings			
Non - Current			
Secured - at Amortised cost			
Term Loan - from Bank {refer note (a) below}	134.96	159.03	246.81
Vehicle Loan - from Bank {refer note (b) below}	21.09	5.23	-
Less :Current maturities of Long term borrowings	70.84	94.70	71.94
Unsecured - at Amortised cost			
Loan from Directors & their relatives (Refer Note 39)	327.34	659.22	936.06
Loan from Related Parties (Refer Note 39)	5.46	5.31	5.18
Total	**418.01**	**734.08**	**1,116.11**
Current			
Secured - at Amortised cost			
Packing Credit - from Bank {refer note (c) below}	47.00	40.00	-
Working Capital Loan- Cash Credit {refer note (d) below}	589.97	337.37	50.34
Current maturities of Long term borrowings	70.84	94.70	71.94
Unsecured - at Amortised cost			
Loan from Directors & their relatives (Refer Note 39)	30.09	57.16	64.73
Total	**737.91**	**529.24**	**187.00**

The details of repayment terms, rate of interest, and nature of securities provided in respect of secured loan from banks are as below:

(Rs. in million)

Nature of Borrowing	Name of the lender	Nature of Borrowing	Loan Currency	Amount outstanding as on March 31, 2023 (Rs. in million)	Rate of Interest	Repayment terms
a) Term Loan						
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	0.60	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium.
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	7.50	TBILL+3.71	
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.29	TBILL+3.71	
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	1.30	TBILL+3.71	
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	5.60	TBILL+3.71	
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	1.70	TBILL+3.71	
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.00	TBILL+3.71	
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.00	TBILL+3.71	
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	69.00	TBILL+2	End to End tenor of 5 Years with quarterly rest and 6 month moratorium.
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	36.97	9%	End to End tenor of 5 Years with quarterly rest and 18 month moratorium.
Total				**134.96**		
b) Vehicle loan						
Vehicle loan	Axis Bank	Vehicle loan	INR	3.59	7.71%	60 Months
Vehicle loan	Axis Bank	Vehicle loan	INR	9.00	8.45%	37 Months
Vehicle loan	Axis Bank	Vehicle loan	INR	8.50	8.45%	37 Months
				21.09		

c) Packing credit facilities						
Packing Credit - from Bank	Citi Bank N.A.	PCRE	INR	12.25	7.71%	85 Days
Packing Credit - from Bank	Axis Bank	PCRE	INR	14.75	6.30%	97 Days
Packing Credit - from Bank	Axis Bank	PCRE	INR	20.00	6.60%	65 Days
Total				**47.00**		
d) Cash credit facilities						
Cash Credit - from Bank	Axis Bank	Cash Credit	INR	112.49	8.10%	Revolving 365 days
Cash Credit - from Bank	Citi Bank N.A.	Cash Credit	INR	396.31	9.50%	
Cash Credit - from Bank	Citi Bank N.A.	Cash Credit	INR	68.78	9.50%	
Cash Credit - from Bank	Citi Bank N.A.	Cash Credit	INR	12.39	9.50%	
Total				**589.97**		

Refer Note 36 for information on Group's exposure to Interest rate, Foreign Currency and Liquidity risks.

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

The borrowings has been secured by First exclusive Charge by way of equitable mortgage on immovable properties at Building at 708/1,708/2,708/3,708/4,708/6 & 709/12 &709 /18 Dabhel, District Daman owned by Flair Writing Industries Ltd.

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

The Group has not defaulted on financial covenants, repayment of loans and interest during the year and during previous years.

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

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

(Rs. in million)

Quarter ended on	**Value as per books of account**	**Amount as reported in Quarterly statement**	**Discrepancy**	**Reason**
For the year ended March 31, 2023				As explined by the management, the Quarterly statement submitted with Banks were prepared and filed before the completion of all financial statement closure which led to the above differences between the books of accounts and quarterly statement submitted with Banks based on provisional books of account.
March 31, 2023	3,471.06	3,400.54	70.52	
December 31, 2022	3,272.58	3,186.33	86.25	
September 30, 2022	2,919.25	2,890.58	28.67	
June 30, 2022	2,978.13	2,948.00	30.14	
For the year ended March 31, 2022				
March 31, 2022	2,907.63	2,916.58	(8.96)	
December 31, 2021	2,331.15	2,351.21	(20.06)	
September 30, 2021	2,307.09	2,310.58	(3.48)	
June 30, 2021	2,225.36	2,187.99	37.37	
For the year ended March 31, 2021				
March 31, 2021	2,683.97	2,541.72	142.25	
December 31, 2020	2,684.46	2,759.79	(75.33)	
September 30, 2020	2,357.85	2,494.08	(136.23)	
June 30, 2020	2,453.63	2,446.84	6.79	

Disclosure pursuant IND AS 7 " Consolidated Statement of cash flows" - Changes in Liabilities arising from Financial Liabilities

Particulars	Non Current Borrowings	Current borrowings	Interest Accrued on Borrowings	Total
Opening balance as at April 1, 2020	1,189.43	451.37	3.00	1,643.80
(a) Changes from financing cash flows	(73.32)	(264.37)	(106.36)	(444.04)
(b) Interest charged to consolidated statement of profit and loss	-	-	104.91	104.91
(c) Amortisation of Bank Charges during the year	-	-	-	-
(d) Interest capitalised to CWIP	-	-	-	-
Closing balance as at March 31, 2021	**1,116.11**	**187.00**	**1.55**	**1,304.67**
Opening balance as at April 1, 2021	1,116.11	187.00	1.55	1,304.67
(a) Changes from financing cash flow	(382.03)	342.23	(83.78)	(123.58)
(b) Interest charged to consolidated statement of profit and loss	-	-	84.59	84.59
(c) Amortisation of Bank Charges during the year	-	-	-	-
(d) Interest capitalised to CWIP	-	-	-	-
Closing balance as at March 31, 2022	**734.08**	**529.24**	**2.36**	**1,265.67**
Opening balance as at April 1, 2022	734.08	529.24	2.36	1,265.67
(a) Changes from financing cash flow	(316.07)	208.67	(73.30)	(180.70)
(b) Interest charged to consolidated statement of profit and loss	-	-	72.06	72.06
(c) Amortisation of Bank Charges during the year	-	-	-	-
(d) Interest capitalised to CWIP	-	-	-	-
Closing balance as at March 31, 2023	**418.01**	**737.91**	**1.12**	**1,157.03**

(Rs. in million)

Particulars	As at March 31,		
	2023	2022	2021
Note 18 : Lease Liabilities			
Non-Current			
Lease Liabilites	67.72	13.59	43.67
Total	**67.72**	**13.59**	**43.67**
Current			
Lease Liabilites	10.62	30.08	31.88
Total	**10.62**	**30.08**	**31.88**
Note 19 : Other Financial Liabilities			
Non-Current			
Revenue received in advance	2.60	13.04	31.94
Total	**2.60**	**13.04**	**31.94**
Current			
Creditors for capital purchases	24.78	34.53	31.18
Security Deposit Received	0.85	0.75	0.75
Derivatives Financial Liabilities	1.84	-	-
Other Payables	176.78	161.06	108.09
Total	**204.25**	**196.35**	**140.02**
Note 20 : Provisions			
Non-Current			
Provision for Employee Benefits (Refer Note 34)	63.01	60.60	53.05
Total	**63.01**	**60.60**	**53.05**
Current			
Provision for Employee Benefits (Refer Note 34)	77.15	56.22	47.59
Total	**77.15**	**56.22**	**47.59**

Note 21 : Deferred Tax Assets / (Liabilities) :

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,		
	2023	2022	2021
Deferred Tax Assets / (Liabilities)	(95.65)	(95.11)	(102.45)
	(95.65)	**(95.11)**	**(102.45)**

2022-23

Deferred Tax Assets / (Liabilities) in relation to: **(Rs. in million)**

Particulars	Opening Balance	Transfer from Subsidary Co. (FCIPL)	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Property,Plant and Equipment and other Intangibles Assets	(141.89)	-	(3.26)	-	(145.15)
Provision for Gratuity	21.91	-	2.95	0.54	25.40
Expenses allowable on payment basis	7.32	-	2.31	-	9.63
Carry forward business loss and unabsorbed depreciation	4.82	0.19	(1.96)	-	3.05
Lease liability	10.99	-	12.84	-	23.83
ROU assets	(9.04)	-	(13.83)	-	(22.87)
Others	9.00	0.75	(1.06)	-	8.68
Total (A)	**(96.88)**	**0.93**	**(2.01)**	**0.54**	**(97.42)**
AMT-MAT Receivables	1.77	-	-	-	1.77
Total (B)	**1.77**	**-**	**-**	**-**	**1.77**
Total (A+B)	**(95.11)**	**0.93**	**(2.01)**	**0.54**	**(95.65)**

2021-22

Deferred Tax Assets / (Liabilities) in relation to: **(Rs. in million)**

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Property,Plant and Equipment and other Intangibles Assets	(144.34)	2.44	-	(141.89)
Provision for Gratuity	18.95	3.55	(0.59)	21.91
Expenses allowable on payment basis	6.32	1.01	-	7.32
Carry forward business loss and unabsorbed depreciation	4.69	0.13	-	4.82
Lease liability	19.02	(8.02)	-	10.99
ROU assets	(16.40)	7.36	-	(9.04)
Others	7.54	1.46	-	9.00
Total (A)	**(104.22)**	**7.93**	**(0.59)**	**(96.88)**
AMT-MAT Receivables	1.77	-	-	1.77
Total (B)	**1.77**	**-**	**-**	**1.77**
Total (A+B)	**(102.45)**	**7.93**	**(0.59)**	**(95.11)**

2020-21

Deferred Tax Assets / (Liabilities) in relation to: **(Rs. in million)**

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Property,Plant and Equipment and other Intangibles Assets	(134.65)	(9.69)	-	(144.34)
Provision for Gratuity	16.65	2.95	(0.65)	18.95
Expenses allowable on payment basis	5.90	0.41	-	6.32
Carry forward business loss and unabsorbed depreciation	-	4.69	-	4.69
Lease liability	-	19.02	-	19.02
ROU assets	-	(16.40)	-	(16.40)
Others	17.70	(10.16)	-	7.54
Total (A)	**(94.39)**	**(9.18)**	**(0.65)**	**(104.22)**
AMT-MAT Receivables	100.25	(98.48)	-	1.77
Total (B)	**100.25**	**(98.48)**	**-**	**1.77**
Total (A+B)	**5.86**	**(107.66)**	**(0.65)**	**(102.45)**

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Note 22 : Other Liabilities			
Non-Current			
Deferred Government Grant #	2.60	3.19	2.63
Total	**2.60**	**3.19**	**2.63**
Current			
Statutory Remittances	60.81	25.20	17.00
Deferred Government Grant #	0.68	0.90	0.69
Revenue received in advance			
- Others	47.74	50.62	5.07
Total	**109.24**	**76.71**	**22.76**
# Government Grants includes Subsidy Received on Capital Goods.			
The movement of government grant is as below:			
Balance as at the beginning of the year	4.08	3.32	4.03
Add: received during the year	-	6.00	-
Less: government grant recognised as income	0.79	5.23	0.72
Balance as at the end of the year	**3.29**	**4.08**	**3.32**
Note 23 : Trade Payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises (refer note 39 for related party balances)	228.03	169.72	85.92
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	407.63	333.20	324.96
Total	**635.66**	**502.92**	**410.88**

*The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

Trade Payable ageing schedule

As at March 31, 2023 **(Rs. in million)**

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

As at March 31, 2022 **(Rs. in million)**

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

As at March 31, 2021 **(Rs. in million)**

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	
- MSME	85.64	-	-	-	85.64
- Others	322.36	1.59	0.82	0.18	324.96
Disputed dues- MSME	-	-	0.28	-	0.28
Disputed dues- Others	-	-	-	-	-
Total	**408.00**	**1.59**	**1.11**	**0.18**	**410.88**

Notes:

1) The average credit period on purchases is upto 90 days for the Group. The Group however ensures that all payables are paid within the pre agreed credit limits. Refer Note 36 for Maturity Pattern of Trade Payables.

2) Trade Payables include due to related parties INR 99.16 millions (March 31, 2022 : INR 4.75 million and March 31, 2021 : INR 10.48 million).

3) The amounts are unsecured and non-interest bearing.

4) 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 Group 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 March 31,		
	2023	2022	2021
(i) Principal amount payable	228.03	169.72	85.92
(ii) Interest amount due and remaining unpaid	-	-	0.02
(iii) Interest paid	-	-	0.02
(iv) Payment Beyond the appinted day during the year	-	-	-
(v) Interest due and payable for the period of delay	-	-	-
(vi) Interest Accrued and remaining unpaid	-	-	-
(vii) Amount of further Interest remaining	-	-	-

(Rs. in million)

Particulars	For the year ended March 31,		
	2023	2022	2021
Note 24 : Revenue From Operations			
Revenue from Contracts with the Customers			
a) Sale of Products			
Manufactured			
Domestic	7,064.08	4,110.57	1,712.97
Export	1,833.42	1,342.54	1,081.71
Traded			
Domestic	414.13	231.48	111.04
Export	13.63	3.10	-
b) Sale of Services	0.62	1.03	0.71
c) Other Operating Revenue			
Sale of Scrap	21.04	16.15	12.21
Miscellaneous Sales	-	8.84	-
Export Incentives	79.69	60.27	61.23
Total	**9,426.60**	**5,773.98**	**2,979.88**
Disclosure under Ind AS 115 "Revenue from Contracts with Customers"			
a) Disaggregation of revenue Set out below is the disaggregation of the Group's revenue from contracts with customers:			
Revenue from Operations			
Sale of Products			
Domestic	7,478.21	4,342.05	1,824.02
Export	1,847.04	1,345.64	1,081.71
Sale of Services	0.62	1.03	0.71
Other operating revenue	100.73	85.26	73.45
Total	**9,426.60**	**5,773.98**	**2,979.88**
B) Significant changes in the contract liabilties balances during the year			
Opening Balance	50.62	5.07	9.31
Add : Net additions during the year	44.99	50.14	4.71
Less : Revenue recognised during the year	47.87	4.59	8.95
Closing Balance	**47.74**	**50.62**	**5.07**
C) Assets and Liabilities related to Contracts with customers			
Advances from Customers			
Non - Current	-	-	-
Current	47.74	50.62	5.07
Total	**47.74**	**50.62**	**5.07**
D) Reconciliation of revenue recognised in Restated Consolidated Statement of Proft and Loss with Contract price			
Contract price	9,441.70	5,760.55	2,936.48
Less : Discount ,rebates , credits etc	115.83	71.83	30.05
Add : Other operating revenue	100.73	85.26	73.45
Revenue from operations as per Restated Consolidated Statement of Proft and Loss	**9,426.60**	**5,773.98**	**2,979.88**

(Rs. in million)

Particulars	For the year ended March 31,		
	2023	2022	2021
Note 25 : Other Income			
Interest Income on			
Bank Interest	0.95	0.06	0.06
Interest income-others	4.66	7.16	28.23
Interest received on income tax refund	0.02	0.19	0.22
Other Non-Operating Revenue			
Government Grant Income	0.79	5.23	0.72
Gain On Sale Of Property, Plant And Equipment (Net)	-	0.49	21.89
Gain On Foreign Currency Transactions (Net	86.03	50.17	5.14
Tooling Amortisation Income	10.33	20.77	9.23
Labour Incentive	13.25	11.54	24.26
Development Income	0.12	1.08	15.50
Profit/(Loss) on Sale of Investments (Net)	-	3.08	0.56
Premium/(Discount) on Forward Contract	-	1.89	7.95
Reimbursement Towards Special Discount	-	-	12.86
Other Non-Operating Income	0.16	0.76	2.21
Total	**116.31**	**102.43**	**128.85**
Note 26 : Cost of Materials Consumed			
Opening stock	714.79	487.17	519.81
Add. Purchase	5,313.81	3,563.87	1,428.40
Less. Closing stock	947.09	714.79	487.17
Total	**5,081.51**	**3,336.25**	**1,461.04**
Note 27 : Purchase of Traded Items			
Purchase of Traded goods	61.65	41.48	47.59
Miscellaneous Purchases	-	5.75	-
Total	**61.65**	**47.24**	**47.59**
Note 28 : Changes in Inventories			
Opening Stock			
Semi- Finished Goods	706.25	472.54	537.29
Finished Goods	279.52	325.95	421.96
Stock-in-Trade	127.60	13.33	8.18
Total (A)	**1,113.37**	**811.82**	**967.43**
Closing Stock			
Semi- Finished Goods	693.56	706.25	472.54
Finished Goods	443.14	279.52	325.95
Stock-in-Trade	32.14	127.60	13.33
Total (B)	**1,168.84**	**1,113.37**	**811.82**
(Increase)/ Decrease in Inventories (A-B)	**(55.47)**	**(301.55)**	**155.61**
Note 29 : Employee Benefits Expense			
Salaries, Wages and Bonus *	1,094.04	819.38	550.28
Contribution to Provident and other Funds(Refer Note 34)	68.76	50.70	29.09
Staff Welfare Expenses	10.56	7.93	4.51
Total	**1,173.36**	**878.01**	**583.88**
* Refer Note 39 for Payments to Key Managerial Personnel			

(Rs. in million)

Particulars	**For the year ended March 31,**		
	2023	**2022**	**2021**
Note 30 : Finance Costs			
Interest on Loans from Banks	37.16	20.80	38.27
Interest (Others)*	34.90	63.79	66.64
Interest on Right of Use Assets	3.36	5.29	7.62
Interest On Delayed Payment Of Income Taxes	9.49	9.85	0.54
Other Borrowing Cost	5.13	0.24	0.03
Total	**90.04**	**99.97**	**113.10**
* Refer Note 39 for Interest paid to Related Parties			
Note 31 : Depreciation/ Amortisation Expense			
Depreciation On Property, Plant And Equipment	241.76	213.49	194.22
Amortisation Of Intangible Assets	4.91	4.86	4.82
Depreciation Of Right-Of-Use Assets	26.75	25.30	25.30
Total	**273.41**	**243.66**	**224.34**
Note 32 : Other Expenses			
Manufacturing Expenses			
Consumable Expenses	31.33	23.40	13.45
Electric Power, Fuel and Water	199.35	139.39	84.41
Factory Rent	2.40	-	-
Freight Inward	13.61	10.87	6.04
Job Work and Other Related Expenditure	331.46	201.74	98.87
Loading and Unloading Expenses	2.06	1.72	0.80
Machine and Mould Maintenance	71.17	59.33	29.50
Factory Expenses	27.11	22.14	17.53
Establishment Expenses			
Bank Charges	1.69	3.09	2.61
Corporate Social Responsibility Expenditure	9.84	23.99	12.18
Charity and Donation	0.45	0.56	-
Discount on Forward Contract	9.37	-	-
Electricity Charges	3.15	3.36	1.86
Insurance Expenses	11.65	9.42	9.87
Legal & Professional Fees	53.42	29.22	19.49
Rent	0.01	-0.0	0.14
Postage & Courier	5.53	2.33	1.89
Printing and Stationery	4.34	2.98	1.74
Miscellaneous Expenses	9.51	11.24	32.36
Repairs & Maintenance			
Computer	7.25	4.96	4.78
Vehicles	7.37	6.93	3.80
Others	19.59	10.46	11.28
Telephone & Communication Charges	4.11	3.12	3.16
Travelling & Conveyance	111.23	66.11	43.94
Director's Travelling & Conveyance	13.05	4.04	0.77
Director's Sitting Fees	0.33	0.14	0.10
Pre-operative Expenses	5.77	-	-
Share Issue Expenditure	2.42	-	-
Payment to Auditor **(Refer Note 32.1)**	5.38	4.71	1.84
Selling and Distribution Expenses			
Advertisement Expenses	107.12	40.27	14.24
Allowance for expected credit loss on trade receivables	10.33	1.93	-
Sales Promotion & Marketing Expenses	13.69	6.07	3.71
Commission & Brokerage	18.90	4.79	4.40
Freight, Clearing & Forwarding Charges	56.40	54.40	31.95
Freight Outward	157.18	83.70	42.10
Export Expenses	2.85	1.94	3.00
Total	**1,330.42**	**838.35**	**501.79**
Note 32.1 Payment to Auditors			
As Auditor:			
Statutory Audit Fees	3.35	3.00	1.48
Taxation Matters	2.03	1.71	0.37
Total	**5.38**	**4.71**	**1.84**

Note 33 : Earnings per share (EPS)

In accordance with the Indian Accounting Standard -33 on "Earnings per Share" (EPS):

Particulars	As at 31st March		
	2023	2022	2021
Face Value per Equity Share (Rs)	5.00	5.00	5.00
Basic Earnings per Share (Rs)	12.66	5.91	0.11
Net Profit after Tax as per Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million).	1,182.11	551.51	9.89
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	93,388,800	93,388,800	93,388,800
Diluted Earnings per Share (Rs)	12.66	5.91	0.11
Net Profit after Tax as per Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million).	1,182.11	551.51	9.89
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	93,388,800	93,388,800	93,388,800
Reconciliation of weighted average number of shares outstanding			
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	93,388,800	93,388,800	93,388,800
Total Weighted Average Potential Equity Shares	-	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	93,388,800	93,388,800	93,388,800

Pursuant to resolutions passed by the Board at their meeting dated March 18, 2023 and the Shareholders at their extraordinary general meeting dated March 20, 2023, the Company has sub-divided its equity shares of face value of Rs10 each to Equity Shares of face value of Rs 5 each. Further the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 1:1 i.e. one bonus equity share for each existing equity share. The record date for the transactions is March 20, 2023.

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 Restated Consolidated Other Financial Information.

Note 34 : Gratuity and other post employment benefit plans

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

(a) Defined contribution plan

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

(Rs. in million)

Particulars	For the year ended March 31		
	2023	2022	2021
Employer's Contribution to Provident Fund	25.98	18.79	10.15
Employer's Contribution to Employee State Insurance Scheme	1.07	1.06	0.80
Employer's Contribution to Pension Scheme	41.66	30.79	18.11
Total	**68.71**	**50.65**	**29.06**

(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 the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Defined Benefit Plan

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

(Rs. in million)

Particulars	For the year ended March 31		
	2023	2022	2021
Defined Benefit obligation at beginning of the year	87.07	75.31	66.17
Add: Current Service Cost	17.98	15.75	13.33
Interest Cost	5.26	4.25	3.74
Remeasurement during the period due to :			
Actuarial loss / (gain) arising from change in financial assumptions	(6.05)	(1.89)	-
Actuarial loss / (gain) arising from change in demographic assumption	-	-	-
Actuarial loss / (gain) arising on account of experience changes	8.19	(0.46)	(2.59)
Past Service Cost			
Benefits paid	(11.52)	(5.89)	(5.34)
Defined Benefit obligation at end of the year	**100.93**	**87.07**	**75.31**
Net liability is bifurcated as follows :			
Current	37.92	26.47	22.26
Non-current	63.01	60.60	53.05
Net liability	**100.93**	**87.07**	**75.31**

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

(Rs. in million)

Particulars	For the year ended March 31		
	2023	2022	2021
Fair Value of Plan Assets 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	For the year ended March 31		
	2023	2022	2021
Fair Value of Plan Assets		-	-
Present Value of Obligation	100.93	87.07	75.31
Amount Recognised in Balance Sheet Surplus/(Deficit)	**100.93**	**87.07**	**75.31**

Note 34 : Gratuity and other post employment benefit plans

IV) Expenses recognised during the year

(Rs. in million)

Particulars	For the year ended March 31		
	2023	2022	2021
In Income Statement			
Current Service Cost	17.98	15.75	13.33
Interest Cost	5.26	4.25	3.74
Past Service Cost	-	-	-
Return on Plan Assets	-	-	-
Actuarial (Gain)/Loss	-	-	-
Net Cost	**23.24**	**20.00**	**17.07**
In Other Comprehensive Income			
Actuarial (Gain)/Loss	2.14	(2.35)	(2.59)
Return on Plan Assets			
Net(Income)/Expenses for the year recognised in Other Comprehensive Income	**2.14**	**(2.35)**	**(2.59)**

V) Investments details

(Rs. in million)

Particulars	For the year ended March 31		
	2023	2022	2021
Government securities	-	-	-
Public Securities	-	-	-
Others	-	-	-

VI) Actuarial Assumptions

Mortality Table (Indian Assured Lives Mortality)	For the year ended March 31		
	2023	2022	2021
	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (p.a.)	7.30%	6.05%	5.65%
Withdrawal Rate	50% of lower services reducing to 2% at higher services	50% of lower services reducing to 2% at higher services	50% of lower services reducing to 2% at higher services
Salary escalation (p.a.)	4.50%	4.50%	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 overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to chanae in the market scenario.

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: **(Rs. in million)**

Particulars	For the year ended March 31		
	2023	2022	2021
Assumptions -Discount rate			
Sensitivity Level			
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	(98.75)	(84.83)	(73.22)
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	103.24	89.44	77.54
Assumptions - Salary Escalation rate			
Sensitivity Level			
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	103.25	89.42	77.55
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	(98.72)	(84.83)	(73.19)

Note 34 : 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

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

(Rs. in million)

Particulars	**For the year ended March 31**		
	2023	**2022**	**2021**
Within the next 12 months (next annual reporting period)	37.92	26.47	22.26
Between 2 and 5 years	47.71	40.57	33.50
Beyond 5 years	69.88	63.81	57.48
Total expected payments	**155.51**	**130.85**	**113.24**
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	4 years	5 years	6 years

Note 35 : Financial Instruments

Fair Value Measurement Hierarchy

As at 31st March 2023 (Rs. in million)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Trade Receivables	-	-	1,706.72	1,706.72	-	-	1,706.72	1,706.72
Cash and Cash Equivalents	-	-	7.89	7.89	-	-	7.89	7.89
Other Bank Balance	-	-	0.05	0.05	-	-	0.05	0.05
Loans	-	-	3.57	3.57	-	-	3.57	3.57
Other Financial Assets	-	-	64.04	64.04	-	-	64.04	64.04
Total Financial Assets	**-**	**-**	**1,782.27**	**1,782.27**	**-**	**-**	**1,782.27**	**1,782.27**
Financial Liabilities								
Borrowings	-	-	1,155.92	1,155.92	-	-	1,155.92	1,155.92
Lease Liabilities	-	-	78.34	78.34	-	-	78.34	78.34
Trade payables	-	-	635.66	635.66	-	-	635.66	635.66
Other Financial Liabilities	-	-	206.85	206.85	-	-	206.85	206.85
Total Financial Liabilities	**-**	**-**	**2,076.76**	**2,076.76**	**-**	**-**	**2,076.76**	**2,076.76**

As at 31st March 2022 (Rs. in million)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Trade Receivables	-	-	1,469.70	1,469.70	-	-	1,469.70	1,469.70
Cash and Cash Equivalents	-	-	3.28	3.28	-	-	3.28	3.28
Other Bank Balance	-	-	0.05	0.05	-	-	0.05	0.05
Loans	-	-	2.58	2.58	-	-	2.58	2.58
Other Financial Assets	-	-	25.20	25.20	-	-	25.20	25.20
Total Financial Assets	**-**	**-**	**1,500.82**	**1,500.82**	**-**	**-**	**1,500.82**	**1,500.82**
Financial Liabilities								
Borrowings	-	-	1,263.32	1,263.32	-	-	1,263.32	1,263.32
Lease Liabilities	-	-	43.67	43.67	-	-	43.67	43.67
Trade payables	-	-	502.92	502.92	-	-	502.92	502.92
Other Financial Liabilities	-	-	209.39	209.39	-	-	209.39	209.39
Total Financial Liabilities	**-**	**-**	**2,019.30**	**2,019.30**	**-**	**-**	**2,019.30**	**2,019.30**

As at 31st March 2021 (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	162.67	-	-	162.67	162.67	-	-	162.67
Trade Receivables	-	-	1,158.40	1,158.40	-	-	1,158.40	1,158.40
Cash and Cash Equivalents	-	-	6.66	6.66	-	-	6.66	6.66
Other Bank Balance	-	-	0.15	0.15	-	-	0.15	0.15
Loans	-	-	2.22	2.22	-	-	2.22	2.22
Other Financial Assets	-	-	21.94	21.94	-	-	21.94	21.94
Total Financial Assets	**162.67**	**-**	**1,189.37**	**1,352.04**	**162.67**	**-**	**1,189.37**	**1,352.04**
Financial Liabilities								
Borrowings	-	-	1,303.12	1,303.12	-	-	1,303.12	1,303.12
Lease Liabilities	-	-	75.56	75.56	-	-	75.56	75.56
Trade payables	-	-	410.88	410.88	-	-	410.88	410.88
Other Financial Liabilities	-	-	171.97	171.97	-	-	171.97	171.97
Total Financial Liabilities	**-**	**-**	**1,961.52**	**1,961.52**	**-**	**-**	**1,961.52**	**1,961.52**

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

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

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

Level 3: Inputs based on unobservable market data.

Valuation Methodology :

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

a) Fair valuation of Financial Assets and Liabilities with short-term maturities is considered as approximate to respective carrying amount due to the Short Term maturities of these Instrument.
b) The fair value is determined by using the valuation model/technique with observable inputs and assumptions.
c) The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.

d) The fair value of investment in Mutual Fund is measured at cost quoted price or NAV.

e) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

f)The fair value of the remaining financial instruments is determined using discounted cash flow analysis

Note 36 : 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 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	As at March 31,		
	2023	2022	2021
Less than 6 months	1,656.55	1,395.83	1,040.25
6 months to 12 months	32.38	32.30	17.76
beyond 12 months	17.78	41.58	100.39
Total	**1,706.72**	**1,469.70**	**1,158.40**

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

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

Particulars	As at March 31,		
	2023	2022	2021
Unutilised credit limit from bank (Rs. in million)	797.97	621.02	903.95
Current Ratio	2.23	2.37	3.41
Liquid Ratio	1.11	1.20	1.40

Contractual Maturity profile of Financial Liabilities:
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, 2023					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Yeras	TOTAL
Financial liabilities						
Borrowings	712.81	25.09	59.79	25.42	332.80	1,155.92
Lease Liabilities	0.29	0.30	1.40	1.75	74.60	78.34
Trade payables	635.66	-	-	-	-	635.66
Other financial liabilities	202.41		2.60			205.01
	1,551.17	**25.40**	**63.78**	**27.17**	**407.40**	**2,074.92**
Derivative Liabilities	1.84	-	-	-	-	1.84
Total	**1,553.01**	**25.40**	**63.78**	**27.17**	**407.40**	**2,076.77**

(Rs. in million)

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

(Rs. in million)

Particulars	As at March 31, 2021					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Yeras	TOTAL
Financial liabilities						
Borrowings	156.32	46.53	143.18	15.85	941.24	1,303.12
Lease Liabilities	13.41	18.47	30.20	0.27	13.20	75.56
Trade payables	410.88	-	-	-	-	410.88
Other financial liabilities	108.88	31.14	31.94	-	-	171.96
	689.50	**96.14**	**205.32**	**16.12**	**954.45**	**1,961.52**
Derivative Liabilities	-	-	-	-	-	-
Total	**689.50**	**96.14**	**205.32**	**16.12**	**954.45**	**1,961.52**

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	As at March 31,		
	2023	2022	2021
Borrowings			
Loan from Banks	793.02	541.63	297.14
Unsecured loan from Directors & their relatives	362.89	721.69	1,005.97
Total	**1,155.92**	**1,263.32**	**1,303.12**

(b) Sensitivity

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

(Rs. in million)

Particulars	As at March 31,		
	2023	2022	2021
1% Change in increase in Interest Rate	11.56	12.63	13.03
1% Change in decrease in Interest Rate	(11.56)	(12.63)	(13.03)

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

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 all other foreign currencies are not material.

Exposure to currency risk

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

(Rs. in million)

Particulars	As at March 31, 2023			
	USD	EURO	CHF	JPY
Financial assets				
Trade receivables	338.55	17.47	-	-
Other assets	121.93	6.51	55.65	3.28
Financial liabilities				
Trade payables	25.62	66.20	-	13.90
Other liabilities	43.64	-	-	-
Net Exposure	**391.22**	**(42.23)**	**55.65**	**(10.62)**

(Rs. in million)

Particulars	As at March 31, 2022			
	USD	EURO	CHF	JPY
Financial assets				
Trade receivables	213.22	11.72	-	-
Other assets	58.89	0.83	-	5.30
Financial liabilities				
Trade payables	37.49	6.79	0.49	1.35
Other liabilities	21.33	26.53	-	-
Net Exposure	**213.29**	**(20.77)**	**(0.49)**	**3.96**

(Rs. in million)

Particulars	As at March 31, 2021			
	USD	EURO	CHF	JPY
Financial assets				
Trade receivables	262.73	5.79	-	-
Other assets	44.77	1.99	-	4.43
Financial liabilities				
Trade payables	61.12	24.38	-	1.53
Other liabilities	3.54	-	-	-
Net Exposure	**242.84**	**(16.59)**	**-**	**2.90**

Sensitivity analysis

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

(Rs. in million)

Particulars	As at March 31, 2023			
	USD	EURO	CHF	JPY
1% Depreciation in INR				
Impact on Profit & Loss	3.91	(0.42)	0.56	(0.11)
TOTAL	**3.91**	**(0.42)**	**0.56**	**(0.11)**
1% Appreciation in INR				
Impact on Profit & Loss	3.91	(0.42)	0.56	(0.11)
Total	**3.91**	**(0.42)**	**0.56**	**(0.11)**

(Rs. in million)

Particulars	As at March 31, 2022			
	USD	EURO	CHF	JPY
1% Depreciation in INR				
Impact on Profit & Loss	2.13	(0.21)	(0.00)	0.04
TOTAL	**2.13**	**(0.21)**	**(0.00)**	**0.04**
1% Appreciation in INR				
Impact on Profit & Loss	2.13	(0.21)	(0.00)	0.04
Total	**2.13**	**(0.21)**	**(0.00)**	**0.04**

(Rs. in million)

Particulars	As at March 31, 2021			
	USD	EURO	CHF	JPY
1% Depreciation in INR				
Impact on Profit & Loss	2.43	(0.17)	-	0.03
TOTAL	**2.43**	**(0.17)**	**-**	**0.03**
1% Appreciation in INR				
Impact on Profit & Loss	2.43	(0.17)	-	0.03
Total	**2.43**	**(0.17)**	**-**	**0.03**

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 Group financial risk management have developed and enacted a Risk Management strategy regarding Commodity Price Risk and its mitigation.

Note 37 : Movement in deferred tax

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

(Rs. in million)

Particulars	As at April 1, 2022	Transfer from Subsidary Co. (FCIPL)	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
Defered Tax Assets(Net) in relation to :					
Property,Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	21.91	-	2.95	0.54	25.40
Expenses allowable on payment basis	7.32	-	2.31	-	9.63
Carry forward business loss and unabsorbed depreciation	4.82	0.19	(1.96)	-	3.05
Lease liability	10.99	-	12.84	-	23.83
Others	9.00	0.75	(1.06)	-	8.68
Deferred Tax Assets (A)	**54.05**	**0.93**	**15.07**	**0.54**	**70.59**
Defered Tax Liabilities(Net) in relation to :					
Property,Plant and Equipment and other Intangibles Assets	(141.89)	-	(3.26)	-	(145.15)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
Carry forward business loss and unabsorbed depreciation	-	-	-	-	-
ROU assets	(9.04)	-	(13.83)	-	(22.87)
Others	-	-	-	-	-
Deferred Tax Liabilities (B)	**(150.93)**	**-**	**(17.08)**	**-**	**(168.02)**
Net Deferred Tax Asset/ (Liabilities) (A+B)	**(96.88)**	**0.93**	**(2.01)**	**0.54**	**(97.42)**
AMT-MAT Receivables	1.77	-	-	-	1.77
Net Deferred Tax Asset/ (Liabilities)	**(95.11)**	**0.93**	**(2.01)**	**0.54**	**(95.65)**

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

(Rs. in million)

Particulars	As at April 1, 2021	Recognised in profit or loss	Recognised in OCI	As at March 31, 2022
Defered Tax Assets(Net) in relation to :				
Property,Plant and Equipment and other Intangibles Assets	-	-	-	-
Provision for Gratuity	18.95	3.55	(0.59)	21.91
Expenses allowable on payment basis	6.32	1.01	-	7.32
Carry forward business loss and unabsorbed depreciation	4.69	0.13	-	4.82
Lease liability	19.02	(8.02)	-	10.99
Others	7.54	1.46	-	9.00
Deferred Tax Assets (A)	**56.52**	**(1.88)**	**(0.59)**	**54.05**
Defered Tax Liabilities(Net) in relation to :				
Property,Plant and Equipment and other Intangibles Assets	(144.34)	2.44	-	(141.89)
Provision for Gratuity	-	-	-	-
Expenses allowable on payment basis	-	-	-	-
Carry forward business loss and unabsorbed depreciation	-	-	-	-
ROU assets	(16.40)	7.36	-	(9.04)
Others	-	-	-	-
Deferred Tax Liabilities (B)	**(160.74)**	**9.80**	**-**	**(150.93)**
Net Deferred Tax Asset/ (Liabilities) (A+B)	**(104.22)**	**7.93**	**(0.59)**	**(96.88)**
AMT-MAT Receivables	1.77	-	-	1.77
Net Deferred Tax Asset/ (Liabilities)	**(102.45)**	**7.93**	**(0.59)**	**(95.11)**

Movement in deferred tax balances for the year ended March 31, 2021

(Rs. in million)

Particulars	As at April 1, 2020	Recognised in profit or loss	Recognised in OCI	As at March 31, 2021
Defered Tax Assets(Net) in relation to :				
Property,Plant and Equipment and other Intangibles Assets	-	-	-	-
Provision for Gratuity	16.65	2.95	(0.65)	18.95
Expenses allowable on payment basis	5.90	0.41	-	6.32
Carry forward business loss and unabsorbed depreciation	-	4.69	-	4.69
Lease liability	-	19.02	-	19.02
Others	17.70	(10.16)	-	7.54
Deferred Tax Assets (A)	**40.26**	**16.91**	**(0.65)**	**56.52**
Defered Tax Liabilities(Net) in relation to :				
Property,Plant and Equipment and other Intangibles Assets	(134.65)	(9.69)	-	(144.34)
Provision for Gratuity	-	-	-	-
Expenses allowable on payment basis	-	-	-	-
Carry forward business loss and unabsorbed depreciation	-	-	-	-
ROU assets	-	(16.40)	-	(16.40)
Others	-	-	-	-
Deferred Tax Liabilities (B)	**(134.65)**	**(26.09)**	**-**	**(160.74)**
Net Deferred Tax Asset/ (Liabilities) (A+B)	**(94.39)**	**(9.18)**	**(0.65)**	**(104.22)**
AMT-MAT Receivables	100.25	(98.48)	-	1.77
Net Deferred Tax Asset/ (Liabilities)	**5.86**	**(107.66)**	**(0.65)**	**(102.45)**

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 38 : Income Tax Expense

(a) Amounts recognised in Profit and Loss **(Rs. in million)**

Particulars	For the year ended March 31,		
	2023	2022	2021
Current Tax	404.98	190.90	2.30
Deferred Income Tax Liability / (Asset), Net			
Origination and reversal of temporary differences	2.01	(7.93)	9.18
Tax expense	**406.99**	**182.97**	**11.48**

(b) Amounts recognised in Other Comprehensive Income **(Rs. in million)**

Particulars	For the year ended March 31,		
	2023	2022	2021
Re-measurement on defined benefit liability			
Before tax	(2.14)	2.35	2.59
Tax (expense)/ benefit	0.54	(0.59)	(0.65)
Net of tax	(1.60)	1.76	1.94

(c) Reconciliation of Effective Income Tax Rate **(Rs. in million)**

Particulars	For the year ended March 31,		
	2023	2022	2021
Profit before Tax	1,587.99	734.48	21.37
Company's Domestic Tax Rate	25.17%	25.17%	25.17%
Income Tax using the Company's tax rate	399.66	184.85	5.38
Tax effect of:			
Permanent disallowances	7.45	4.89	0.91
Timming Difference	3.01	(0.12)	(6.68)
Deferred tax	2.01	(7.93)	9.18
Others	(5.14)	1.27	2.70
Income tax as per Profit & Loss Account	**406.99**	**182.97**	**11.48**
Effective Tax Rate	**25.63%**	**24.91%**	**53.72%**

Note 39 : Related Party Disclosure

As per Indian Accounting Standard 24 "Related Party Disclosures", the disclosure as defined is 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 Writing Equipments Pvt Ltd. Flair Cyrosil Industries Pvt. Ltd.

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

	Nature of Relationship	**Name of Related Party**
(i)	**Key Managerial Personnel (KMP)**	**Chairman** Khubilal Jugraj Rathod **Managing Director** Vimalchand Jugraj Rathod **Whole-time Director** Rajesh Khubilal Rathod Mohit Khubilal Rathod Sumit Rathod **Independent Director** Punit Saxena Sangeeta Sethi Manoj Vinod Lalwani Arun Mohan Jain Rajneesh Bhandari Bishan Singh Rawat Sheetal Bhanot Shetty **Chief Financial Officer** Mayur Dhansukhlal Gala **Company Secretary** Vishal Chanda Prakash Gupta
(ii)	**Relatives of Key Managerial Personnel**	Nirmala Khubilal Rathod Manjula Vimalchand Rathod Shalini Mohit Rathod Sangita Rajesh Rathod Sonal Sumit Rathod Kiemaya Rathod Sunita Jayesh Jain Jayesh Jain Vimalchand Jugraj Rathod HUF
(iii)	**Enterprises over which any person described in (i) and (ii) above is able to influence (The Enterprises):**	Flair Pens Ltd. Pentel Stationery (India) Pvt. Ltd. Flair Writing Aids Flair Pen & Plastic Industries Flair Cyrosil Industries Pvt. Ltd. (Till August 29, 2022) Hauser Lifestyle Products Rathod N Rathod

(c) Transactions with Related Parties

(Rs. in million)

Sr. No.	Nature of Transaction	Relationship	For the year ended March 31,		
			2023	2022	2021
1	<u>Sale of Goods</u>				
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	75.35	23.17	37.07
	Pentel Stationery (India) Pvt. Ltd.	Entities forming part of the Promoter Group	13.41	1.21	5.67
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	17.12	11.04	5.42
					-
2	<u>Sale of Fixed Assets</u>				-
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	1.15	4.54	4.22
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	-	0.04	-
3	<u>Sale of Licence</u>				-
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	0.28	-	-
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	-	2.08	-
					-
4	<u>Purchase of Goods</u>				-
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	37.89	1.28	3.85
	Pentel Stationery (India) Pvt. Ltd.	Entities forming part of the Promoter Group	60.64	30.47	14.56
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	68.05	2.97	0.22
5	<u>Purchase of Licence</u>				-
	Pentel Stationery (India) Pvt. Ltd.	Entities forming part of the Promoter Group	-	6.01	-
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	0.11	-	-
					-
6	**Purchase of Fixed Assets**				
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	7.52	-	-
	Flair Pen & Plastic Industries	Entities forming part of the Promoter Group	2.00	-	-

Note 39 : Related Party Disclosure

7	**Rent Income**				
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	4.44	1.50	1.50
8	**Rent Expense**				-
	Khubilal Jugraj Rathod	Chairman	0.64	0.61	0.61
	Vimalchand Jugraj Rathod	Managing Director	1.59	1.56	1.04
	Flair Pens Ltd.	Entities forming part of the Promoter Group	16.18	16.04	15.80
	Flair Writing Aids	Entities forming part of the Promoter Group	0.34	-	-
	Flair Pen & Plastic Industries	Entities forming part of the Promoter Group	13.66	10.08	9.84
	Rathod N Rathod	Entities forming part of the Promoter Group	0.18	0.18	0.18
	Nirmala Khubilal Rathod	Wife of Chairman	2.28	2.28	2.23
	Manjula Vimalchand Rathod	Wife of Managing Director	2.28	2.28	2.23
	Vimalchand Rathod (HUF)	HUF of Managing Director	-	-	0.49
9	**Advertisement and Sales promotion expenses**				-
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	1.08	-	-
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	19.94	12.11	2.20
	Pentel Stationery (India) Pvt. Ltd.	Entities forming part of the Promoter Group	-	-	0.02
10	**Labour and Moulding Charges (Received)**				-
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	-	0.86	0.25
11	**Re-imburesement of Expenses (Paid)**				-
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	-	0.02	0.14
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	0.19	-	-
	Flair Pens Ltd.	Entities forming part of the Promoter Group	1.21	1.07	0.97
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	-	0.09	-
	Vimalchand Jugraj Rathod	Managing Director	0.09	-	-
	Khubilal Jugraj Rathod	Chairman	0.11	-	-
12	**Re-imburesement of Expenses (Received)**				
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	-	-	0.27
	Flair Pens Ltd.	Entities forming part of the Promoter Group	0.01	-	-
13	**Interest Income**				
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	16.75	5.30	2.40
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	3.24	-	-
14	**Interest Expenses**				
	Khubilal Jugraj Rathod	Chairman	1.12	6.30	8.04
	Vimalchand Jugraj Rathod	Managing Director	4.13	9.14	8.06
	Rajesh Khubilal Rathod	Whole-time Director	2.53	7.96	9.73
	Mohit Khubilal Rathod	Whole-time Director	2.12	8.49	10.01
	Sumit Rathod	Whole-time Director	3.54	10.68	11.31
	Nirmala Khubilal Rathod	Wife of Chairman	3.63	3.51	3.14
	Manjula Vimalchand Rathod	Wife of Managing Director	0.55	0.55	0.62
	Sangita Rajesh Rathod	Wife of Whole-time Director	6.82	6.75	6.15
	Shalini Mohit Rathod	Wife of Whole-time Director	7.43	7.37	6.71
	Sonal Sumit Rathod	Wife of Whole-time Director	2.58	2.62	2.45
	Sunita Jain	Daughter of Chairman	0.27	0.27	0.28
	Kiemaya Rathod	Daughter of Whole-time Director	0.17	0.16	0.14
15	**Director/Managerial Remuneration**				
	Khubilal Jugraj Rathod	Chairman	1.20	-	1.05
	Vimalchand Jugraj Rathod	Managing Director	4.20	3.60	3.44
	Rajesh Khubilal Rathod	Whole-time Director	6.00	2.40	2.29
	Mohit Khubilal Rathod	Whole-time Director	6.00	2.40	2.29
	Sumit Rathod	Whole-time Director	6.00	2.40	2.29
	Mayur Dhansukhlal Gala	Chief Financial Officer	3.93	3.02	2.01
	Vishal Chanda	Company Secretary	0.81	-	0.12
	Prakash Gupta	Company Secretary	0.07	0.16	0.02
	Jayesh Jain	Son-in-Law of Chairman	2.81	3.07	2.77
16	**Director/Managerial Commission**				
	Khubilal Jugraj Rathod	Chairman	4.80	3.00	1.20
	Jayesh Jain	Son-in-Law of Chairman	10.42	-	-
17	**Sitting Fees**				
	Arun Mohan Jain	Independent Director	-	0.06	-
	Sangeeta Sethi	Independent Director	-	0.04	0.07
	Bishan Singh Rawat	Independent Director	0.16	0.04	0.03
	Punit Saxena	Independent Director	0.02	-	-
	Manoj Vinod Lalwani	Independent Director	0.02	-	-
	Rajneesh Bhandari	Independent Director	0.13	-	-

Note 39 : Related Party Disclosure

18	**Loan Taken**				
	Khubilal Jugraj Rathod	Chairman	2.87	9.92	9.75
	Vimalchand Jugraj Rathod	Managing Director	6.91	12.61	122.56
	Rajesh Khubilal Rathod	Whole-time Director	53.15	13.14	8.47
	Mohit Khubilal Rathod	Whole-time Director	40.09	11.48	9.25
	Sumit Rathod	Whole-time Director	37.77	12.03	27.41
19	**Loan Repaid**				
	Khubilal Jugraj Rathod	Chairman	36.54	89.23	23.82
	Vimalchand Jugraj Rathod	Managing Director	107.83	40.70	114.44
	Rajesh Khubilal Rathod	Whole-time Director	108.99	97.63	40.35
	Mohit Khubilal Rathod	Whole-time Director	113.71	87.44	36.29
	Sumit Rathod	Whole-time Director	155.83	73.49	50.86
	Nirmala Khubilal Rathod	Wife of Chairman	2.08	0.32	1.22
	Manjula Vimalchand Rathod	Wife of Managing Director	0.55	0.05	3.06
	Sangita Rajesh Rathod	Wife of Whole-time Director	4.64	4.68	3.02
	Shalini Mohit Rathod	Wife of Whole-time Director	6.19	4.25	4.27
	Sonal Sumit Rathod	Wife of Whole-time Director	2.48	2.81	2.11
20	**Loan Given**				
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	234.00	153.72	96.56
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	172.23	-	-
21	**Loan Repaid (Given)**				
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	49.00	85.08	46.60
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	14.62	-	-
22	**Investment**				
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	36.00	-	-

(d) Outstanding balances

(Rs. in million)

Sr. No.	Nature of Balance Outstanding	Relationship	As at March 31,		
			2023	2022	2021
1	**Investment**				
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	36.00	-	-
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	0.10	0.10	0.10
2	**Trade Payables**				
	Pentel Stationery (India) Pvt. Ltd.	Entities forming part of the Promoter Group	9.61	3.86	2.58
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	50.95	-	-
3	**Trade Recievables**				
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	51.38	15.16	1.83
	Pentel Stationery (India) Pvt. Ltd.	Entities forming part of the Promoter Group	0.45	0.50	0.80
	Hauser Lifestyle Products	Entities forming part of the Promoter Group	9.22	0.79	5.24
4	**Loan Outstanding (Liability)**				-
	Khubilal Jugraj Rathod	Chairman	10.78	43.45	117.09
	Vimalchand Jugraj Rathod	Managing Director	16.16	113.37	133.24
	Mohit Khubilal Rathod	Whole-time Director	4.97	76.56	141.29
	Rajesh Khubilal Rathod	Whole-time Director	7.46	60.55	137.88
	Sumit Rathod	Whole-time Director	6.16	113.52	165.37
	Nirmala Khubilal Rathod	Wife of Chairman	54.31	53.13	50.28
	Manjula Vimalchand Rathod	Wife of Managing Director	8.18	8.24	7.80
	Sangita Rajesh Rathod	Wife of Whole-time Director	101.27	99.77	98.38
	Shalini Mohit Rathod	Wife of Whole-time Director	109.85	109.34	106.96
	Sonal Sumit Rathod	Wife of Whole-time Director	38.15	38.30	38.75
	Sunita Jayesh Jain	Relative of KMP	3.02	3.02	3.04
	Kiemaya Rathod	Relative of KMP	2.59	2.44	2.29
5	**Rent Payable**				-
	Khubilal Jugraj Rathod	Chairman	-	-	0.27
	Vimalchand Jugraj Rathod	Managing Director	-	-	0.65
	Nirmala Khubilal Rathod	Wife of Chairman	-	-	1.61
	Manjula Vimalchand Rathod	Wife of Managing Director	-	-	1.18
	Flair Pens Ltd.	Entities forming part of the Promoter Group	0.63	0.54	3.66
	Flair Pen & Plastic Industries	Entities forming part of the Promoter Group	0.12	-	0.54
	Flair Writing Aids	Entities forming part of the Promoter Group	0.27	-	-
6	**Loan Outstanding (Assets)**				
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	333.73	133.65	60.24
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	160.52	-	-
7	**Director/Managerial Commission (Outstanding)**				
	Khubilal Jugraj Rathod	Chairman	-	0.34	-
	Jayesh Jain	Son-in-Law of Chairman	1.53	-	-

Note 40 : Capital Management

For the purpose of Group's capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023, March 31, 2022 and March 31, 2021 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19. Capital gearing ratio is net debt divided by total capital plus net debt and Net debt is calculated as loans and borrowings less cash and cash equivalent. The Group policy is to keep the gearing ratio at optimum level .

The following table summarizes the capital of the Group: **(Rs. in million)**

Particulars	**For the year ended March 31,**		
	2023	**2022**	**2021**
Gross Debt including lease liability			
Long Term Debt	418.01	734.08	1,116.11
Short Term Debt	737.91	529.24	187.00
Lease liability	78.34	43.67	75.56
Less: Cash and Cash Equivalents	7.89	3.28	6.66
Net Debt (A)	**1,226.36**	**1,303.71**	**1,372.01**
Total Equity (As per Balance Sheet) (B)	**4,352.29**	**3,169.79**	**2,616.02**
Net Gearing Ratio (A/B)	**0.28**	**0.41**	**0.52**

Note 41 : Segment Information

Description of Segment and principal activities

As per Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) the Group’s chief operating decision maker, i.e. Managing Director (‘CODM’) has identified "Writing Instruments and its Allieds" as the reportable segments. Since the Group is having only one reportable segment hence disclosure requirement as per Ind AS 108 is not applicable.

Geographical Information

The following table provides an analysis of the Group's sales by region in which the customer is located, irrespective of the origin of the goods.

(Rs. in million)

Revenue from operations	**Within India**	**Outside India**	**Total**
For the year ended March 31, 2023	7,499.86	1,926.74	9,426.60
For the year ended March 31, 2022	4,368.08	1,405.91	5,773.98
For the year ended March 31, 2021	1,836.94	1,142.95	2,979.88
Non-Current Assets*			
As at March 31, 2023	2,679.08	-	2,679.08
As at March 31, 2022	2,028.90	-	2,028.90
As at March 31, 2021	1,922.56	-	1,922.56

*Non-Current assets for this purpose excludes non-current investments, non-current financial assets, income tax and deferred tax assets.

No single customer has accounted for more than 10% of the Group’s revenue for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

Note 42 : Corporate Social Responsibility Expenditure(CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

(Rs. in million)

	Details of CSR Expenditure	For the year ended March 31,		
		2023	2022	2021
a)	Amount required to be spent during the year	8.90	9.85	14.21
b)	Amount Spent during the year			
	i) Construction/Acquisition of assets	-	-	-
	ii) On purpose other than above	9.84	23.99	12.18
c)	Short/(Excess) amount spent under section 135 (5)	**(0.94)**	**(14.14)**	**2.04**
d)	Reasons of shortfall	N. A.	N. A.	No suitable project is identified
e)	Nature of CSR activities	Education and Social welfare	Education and Social welfare	Education and Social welfare

The Company has not entered into related party transaction for corporate social expenditure for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

Note 43 : Leases

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

(Rs. in million)

	Particulars	For the year ended March 31,		
		2023	2022	2021
a)	Reduction in Lease Rental	(34.30)	(32.73)	(32.12)
b)	Increase in Depreciation	26.75	25.30	25.30
c)	Increase in Interest	3.36	5.29	7.62
d)	**Net Impact on Profit before Tax**	**(4.20)**	**(2.14)**	**0.81**

Note 44 : Capital and Other Commitments (to the extent not provided for)

(Rs. in million)

	Particulars	As at March 31,		
		2023	2022	2021
a)	Letter of Credit	4.22	80.08	1.05
b)	Estimated amount of contracts remaining to be executed on capital account and not provided for:	373.10	59.58	25.63

Note 45 : Contingent Liability (to the extent not provided for)

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,		
		2023	2022	2021
a)	Disputed Excise, Service Tax and GST Matters	58.85	5.55	2.54
b)	Income Tax Matters	46.87	30.69	21.77

There are some cases going on against the Holding Company under the provisions of Goods and Service Tax Act 2017, Customs Act 1962, Employees Provident Fund and Miscellaneous Provisions Act 1952 and Legal Metrology 2009. These matters are at various stages of proceedings and the extent of claim or damages is indeterminate at this stage. The Group is contesting these cases and based on views of external legal counsels and advisors representing the Group, we have been informed that there will be no future liability which would devolve over the Group in any of these matters. The Group has also filed writ petition in Honourable Gujarat High Court for matters pertaining to Goods and Service Tax.

The Group has also filed certain cases u/s 138 of the Negotiable Instrument Act, 1881. The Group is pursuing these cases and have made adequate provisions for doubtful debts in respect of such cases, wherever considered necessary.

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

Note 46 : Scheme of Amalgamation

The Board of Directors of Flair Distributor Private Limited ("Transferor Company") and Flair Writing Industries Limited ("Transferee Company" or the "Company") in their meeting held on 13th July, 2020 had approved a Scheme of Amalgamation ("Scheme") for merger of 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, 2020. The said scheme had been sanctioned by the Honourable Members of National Company Law Tribunal, Mumbai Bench vide its order dated February 17, 2023 ("Order"). The certified copy of the order sanctioning the Scheme has been filed with the Ministry of Corporate Affairs on March 21, 2023 and has been approved on May 18, 2023. The Transferee Company and the transferor company 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, as a going concern stood transferred to and vested in the Company with effect from April 01, 2020, 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

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 Transferor 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 Transferor Company were transferred in the name of the Company.

As per clause 11 of the merger order, the Shares held by the Transferee Company shall stand cancelled and extinguished pursuant to the implementation of the Scheme of Amalgamation. Hence the Company has not issued equity share to the equity shareholders of the respective Transferor Company whose names appeared in the Register of Members, on the record date.

Note 47: Business combination

On August 30, 2022, the Company has acquired 62.55% stake(50,110 Equity share of Rs. 100 each) in Flair Cyrosil Industries Private Limited. The Company has further invested through right issue by infusing Rs. 30.99 Millions in Flair Cyrosil Industries Private Limited and has issued equity shares in lieu thereof. Accordingly, Flair Cyrosil Industries Private Limited has become a 90% subsidiary of the Company.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated on a basis of the fair value of the acquired assets and liabilities. The resulting differential has been accounted as goodwill. The comparative financial statements of FY 2022-23 include the results of above entities for the period from August 30, 2022 to March 31, 2023.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

Particulars	Rs. in million
Net Fixed Assets	2.99
Non Current Assets	45.05
Current Assets	0.73
Total Assets (A)	**48.77**
Non Current Liabilities	45.97
Current Liabilities	0.54
Total Liabilities (B)	**46.52**
Total identifiable net assets at fair value (C)=(A)-(B)	2.25
Non Controlling Interest (D)	0.84
Total identifiable net assets acquired at fair value (E)=(C)-(D)	**1.41**
Purchase Consideration transferred in cash (F)	5.01
Goodwill arising on acquisition (F-E)	**3.60**

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

Note 48 : 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.

Flair Writing Industries Limited
CIN : U51100MH2016PLC284727
Annexure VI : Notes to Restated Consolidated Financial Information

Note 49 : Additional regulatory information required by Schedule III of Companies Act, 2013

A.) Analytical Ratio Analysis

Particulars	Times / %	For the year ended March 31,			% change from March 31, 2022 to March 31, 2023		% change from March 31, 2021 to March 31, 2022	
		2023	2022	2021	Change in %	Reason	Change in %	Reason
Current Ratio	Times	2.23	2.37	3.41	-6%		-30%	The ratio is decreased due to increase in Short term borrowings.
Debt-Equity Ratio	Times	0.28	0.41	0.53	-31%	Decreased due to principal repayments of loans and increase in profits during the year.	-22%	
Debt Service Coverage Ratio	Times	2.77	1.59	0.47	74%	Increased due to lower finance cost and increase in profit during the year.	237%	Considering the increase in the profit, this ratio has improved.
Return On Equity Ratio	%	31.41	19.06	0.38	65%	Increased due to increase in profits during the year.	4932%	The change is because of increase in profitability.
Inventory Turnover Ratio	Times	3.49	2.80	1.77	25%	Considering the increase in the purchases in line with the revenue, the inventory turnover ratio has increased.	58%	Considering the increase in the purchases in line with the revenue, the inventory turnover ratio has increased.
Trade Receivables Turnover Ratio	Times	5.94	4.39	2.02	35%	Considering the increase in the revenue, the trade receivable turnover ratio has increased.	117%	Considering the increase in the revenue, the trade receivable turnover ratio has increased.
Trade Payable Turnover Ratio	Times	9.44	7.90	2.58	19%		206%	Considering the increase in the cost of goods sold in line with the revenue, the trade payable turnover ratio has increased.
Net Capital Turnover Ratio	Times	4.38	2.84	1.52	54%	Considering the increase in the revenue, the net capital turnover ratio has increased.	87%	Considering the increase in the revenue, the net capital turnover ratio has increased.
Net Profit Ratio	%	12.53	9.55	0.33	31%	Considering the increase in the revenue and the resultant profitability, the net profit ratio has increased.	2778%	Considering the increase in the revenue and the resultant profitability, the net profit ratio has
Return On Capital Employed	%	29.55	18.25	3.28	62%	Considering the increase in the revenue and the resultant profitability, the return on capital employed has increased.	456%	Considering the increase in the revenue and the resultant profitability, the return on capital employed has increased.

Note 49 : Additional regulatory information required by Schedule III of Companies Act, 2013

A.) Analytical Ratio Analysis

Particulars	Times / %	For the year ended March 31,			% change from March 31, 2022 to March 31, 2023		% change from March 31, 2021 to March 31, 2022	
		2023	2022	2021	Change in %	Reason	Change in %	Reason
Return On Investment	%	27.15	17.40	0.38	56%	Considering the increase in the revenue and the resultant profitability, the return on investment ratio has increased.	4503%	Considering the increase in the revenue and the resultant profitability, the return on investment ratio has increased.

B) Other regulatory information required by Schedule III

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

2 **Utilisation of borrowed funds and share premium:**
(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

3 **Compliance with number of layers of companies:**
The Company has complied with the number of layers prescribed under the Companies Act, 2013.

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

5 **Details of crypto currency or virtual currency:**
The Company has not traded or invested in crypto currency or virtual currency during the years ended March 31, 2023, March 31, 2022, and March 31, 2021.

6 **Valuation of Property,Plant and Equipment and Intangible Asset :**
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the years ended March 31, 2023, March 31, 2022, and March 31, 2021.

7 **Willful Defaulter :**
The Company has not been declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

8 **Relationship with struck off companies :**
The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

9 **Registration of charges or satisfaction with Registrar of Companies**
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

10 **Compliance with approved scheme(s) of arrangements**
The Company has not entered into any scheme of arrangement which has an accounting impact for the years ended March 31,2023, March 31, 2022 and March 31, 2021.

11 **Title deeds of immovable properties not held in name of the company**
The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in note 1 to the financial statements, are held in the name of the Company.

12 **Utilisation of borrowings availed from banks**
The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were was taken.

Note 50 : Impact of COVID-19 (pandemic)

The Group has taken into account all the possible impacts of COVID-19 in preparation of these restated consolidated financial information, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these restated consolidated financial information and believes that the impact of COVID-19 is not material to these restated consolidated financial information and expects to recover the carrying amount of its assets. The impact of COVID-19 on the restated consolidated financial information may differ from that estimated as at the date of approval of these restated consolidated financial information owing to the nature and duration of COVID-19.

Note 51 : Share split and Bonus issue of equity shares

The Board of Directors of the Company, at its meeting held on March 20, 2023 had approved the sub division of the existing authorised share capital of the company and post sub division of the existing authorised share capital of the company, the Board of Directors had approved the bonus issue of one new equity share for every one share held on record date. The record date for the share split and bonus issue is March 20, 2023. (Refer Note 14)

Note 52

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

Note 53 : 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, 2023							
	Net Assets i.e. Total Assets Minus Liabilities		Share of Profit		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent								
Flair Writing Industries Ltd	98.08%	4,265.95	95.52%	1,129.21	100.00%	(1.60)	95.52%	1,127.61
Indian Subsidiary								
Flair Writing Equipments Private Limited	2.20%	95.76	5.13%	60.60	-	-	5.13%	60.60
Flair Cyrosil Industries Private Limited	-0.28%	(12.20)	-0.65%	(7.70)	-	-	-0.65%	(7.70)
TOTAL	**100%**	**4,349.51**	**100%**	**1,182.11**	**100%**	**(1.60)**	**100%**	**1,180.51**
Non Controlling Interest	-	2.78	-	(1.12)	-	-	**10%**	(1.12)

Name of the Entity	As At March 31, 2022							
	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	98.90%	3,134.78	95.67%	527.64	100%	1.76	100.00%	529.40
Indian Subsidiary								
Flair Writing Equipments Private Limited	1.10%	35.01	4.33%	23.87	-	-	-	23.87
TOTAL	**100%**	**3,169.79**	**100%**	**551.51**	**100%**	**1.76**	**100.00%**	**553.27**
Non Controlling Interest	-	-	-	-	-	-	-	-

Name of the Entity	As At March 31, 2021							
	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	99.57%	2,604.88	-74.26%	(7.34)	100.00%	1.94	-45.70%	(5.40)
Indian Subsidiary								
Flair Writing Equipments Private Limited	0.43%	11.14	174.26%	17.23	-	-	145.70%	17.23
TOTAL	**100.00%**	**2,616.02**	**100.00%**	**9.89**	**100%**	**1.94**	**100.00%**	**11.83**
Non Controlling Interest	-	-	-	-	-	-	-	-

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

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

(Rs in million)

Name of Subsidiary	**Flair Writing Equipments Private Limited**			**Flair Cyrosil Industries Private Limited**		
The Date since which Subsidiary was acquired	**4/Nov/2019**			**29/Aug/2022**		
Reporting Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
Financial Year	**2022-23**	**2021-22**	**2020-21**	**2022-23**	**2021-22**	**2020-21**
Equity Share Capital	0.10	0.10	0.10	40.00	-	-
Other Equity	95.76	34.91	11.04	(12.20)	-	-
Total Assets	817.19	335.47	184.39	321.68	-	-
Total Liabilities	721.34	300.46	173.26	293.89	-	-
Investments	0.00	-	-	-	-	-
Revenue from Operation	501.68	261.41	118.75	-	-	-
Profit/(Loss) Before Tax	73.27	27.34	20.82	(9.22)	-	-
Provision for Tax	12.67	3.46	3.59	(1.52)	-	-
Profit After Tax	60.60	23.87	17.23	(7.70)	-	-
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	60.60	23.87	17.23	(7.70)	-	-
Proposed Dividend	-	-	-	-	-	-
% of Share Holding	100%	100%	100%	90%	-	-

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)

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

Khubilal G Rathore
(Partner)
M.No. 012807

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 30, 2023

Place: Mumbai
Date: June 30, 2023

Flair Writing Industries Limited
CIN : U51100MH2016PLC284727
Annexure VII : Statement of Adjustments to Audited Consolidated Financial Statements

Summarized below are the restatement adjustments made to the Audited Consolidated Financial Statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and their impact on the equity and profit of the Group:

Part A: Statement of Adjustments to Audited Financial Statements

Reconciliation between audited equity and restated equity

(Rs. in million)

Sr. No.	Particulars	As at March 31, 2023	2022	2021
a	**Total Equity as per Audited Financial Statements**	4,352.29	3,180.40	2,615.83
b	**Adjustments**			
	Material Restatement Adjustments			
	(i) Audit Qualifications : None	-	-	-
	(ii) Adjustments due to prior period items / other adjustments	-	(10.60)	0.19
	(iii) Adjustments due to change in accounting policy	-	-	-
	(iv) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-
	Total adjustments (i + ii + iii+iv)	-	(10.60)	0.19
c	**Total Equity as per restated consolidated statement of assets and liabilities (a+b)**	**4,352.29**	**3,169.79**	**2,616.02**

Reconciliation between audited profit and restated profit:

(Rs. in million)

Sr. No.	Particulars	For the Year Ended March 31, 2023	2022	2021
a	**Profit after tax as per Audited Financial Statements**	1,170.39	562.31	9.70
b	**Adjustments**			
	Material Restatement Adjustments			
	(i) Audit Qualifications : None	-	-	-
	(ii) Adjustments due to prior period items / other adjustments	10.60	(10.79)	0.19
	(iii) Adjustments due to change in accounting policy	-	-	-
	(iv) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-
	Total adjustments (i + ii + iii+iv)	10.60	(10.79)	0.19
c	**Net Profit as per Restated Consolidated Statement of Profit and Loss (a+b)**	**1,181.00**	**551.51**	**9.89**

Notes to Adjustments

In the Consolidated Financial Statements, certain expense provisions not made, have now been made in their respective year(s).

Part B: 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, 2023, prepared in accordance with requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended).

(Rs. in million)

Particulars	March 31, 2022 Audited	March 31, 2022 Restated	Change	Nature
Assets				
Current Assets	3,525.59	3,522.60	3.00	Reclassification
Non-Current Assets	2,050.78	2,052.34	(1.55)	Reclassification
Total	**5,576.38**	**5,574.93**	**1.44**	
Equity And Liabilities				
Difference due to changes in Other Equity	3,180.40	3,169.79	10.60	
Current Liabilities	1,476.37	1,485.53	(9.16)	Reclassification
Total	**4,656.77**	**4,655.32**	**1.44**	
Difference			**0.00**	

(Rs. in million)

Particulars	March 31, 2021 Audited	March 31, 2021 Restated	Change	Nature
Assets				
Current Assets	2,863.42	2,863.82	-0.40	Reclassification
Non-Current Assets	1,943.03	1,942.82	0.21	Reclassification
Total	**4,806.45**	**4,806.64**	**(0.19)**	
Equity And Liabilities				
Difference due to changes in Other Equity	2,382.36	2,382.55	(0.19)	
Current Liabilities	808.89	840.77	(31.88)	Reclassification
Non-Current Liabilities	1,381.74	1,349.85	31.88	Reclassification
Total	**4,572.98**	**4,573.17**	**(0.19)**	
Difference			**0.00**	

The above reclassifications in previous years have been made, wherever necessary to confirm to the current year classification/disclosure and do not have any impact on the profit, hence there is no change in the restated basic and diluted earnings per share of the previous years. These reclassifications do not have any impact on the restated equity at the beginning of March 31, 2021.

Part C: Non - Adjusting Items

Audit qualifications for the respective years, which do not require any adjustments in the restated consolidated financial information are as follows:

(a) There are no audit qualifications in auditor's report for the year ended March 31, 2023 , March 31, 2022, and March 31, 2021.

(b) 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, 2020 ("the CARO 2020 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 on the Financial Statements as at and for the period ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively. Certain statements/comments included in the CARO in the Financial Statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

Clause ii of CARO, 2020 for 2022-23

The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets and movable Property, Plant and Equipment. In our opinion, the quarterly statements filed by the company with such banks are not in agreement with the books of account of the Company and the details are as follows:

Quarter ended on	Amount as per books of accounts (Rs. In millions)	Amount as reported in the statements (Rs. In millions)	Difference (Rs. In millions)	Reason for discrepancies
March 31, 2023	3,128.88	3,064.08	64.81	As explined by the management, the Quarterly statement submitted with Banks were prepared and filed before the completion of all financial statement closure which led to the above differences between the books of accounts and quarterly statement submitted with Banks based on provisional books of account.
December 31, 2022	3,094.25	3,010.11	84.15	
September 30, 2022	2,834.43	2,805.57	28.86	
June 30, 2022	2,890.11	2,861.34	28.76	

Clause (vii)(b) of CARO, 2020 for 2022-23 and 2021-22 and Clause (vii) (b) of CARO 2016 Order for 2020-21

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect to goods and service tax, duty of customs, income taxes and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2023, March 31, 2022 and March 31, 2021 for a period of more than six months from the date they became payable are as follows:

Financial Year 2022-23

Sr. No	Name of the Statute	Name of the dispute	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
1	Central Sales Tax Act,1956 (FWIL-DDN)	Central Sales Tax	0.06	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
2	Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	0.31	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
3	Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	0.55	2013-14	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
4	Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	0.51	2014-15	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
5	Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	1.07	2015-16	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun

6	Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	1.28	2016-17	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
7	Central Sales Tax Act,1956 (FWIL-DDN)	Central Sales Tax	0.07	2016-17	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
8	Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	3.02	2016-17	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
9	Office of the Commissioner of CGST, Ahmedabad-South (FDPL)	Goods and Service Tax	25.84	2017-18	Additional Commissioner, (Common Adjudicating Authority, CGST & Exice, Ahmedabad, South
10	Office of the Commissioner of CGST, Ahmedabad-South	Goods and Service Tax	26.15	July 2017 to September 2020	Additional Commissioner, (Common Adjudicating Authority), CGST & Excise, Ahmedabad South, Ahmedabad
11	Income tax act 1961(FIIPL)	Income Tax	0.13	2017-18	Jurisdiction Assessing officer
12	Income tax act 1961(FPPIPL)	Income Tax	0.12	2017-18	Jurisdiction Assessing officer
13	Income tax act 1961(FPPUKPL)	Income Tax	0.04	2017-18	Jurisdiction Assessing officer
14	Income tax act 1961(FPSIPL)	Income Tax	2.03	2017-18	Jurisdiction Assessing officer
15	Income tax act 1961(NPPUK)	Income Tax	0.00	2016-17	Jurisdiction Assessing officer

16	Income tax act 1961(NPPUK)	Income Tax	0.52	2017-18	Jurisdiction Assessing officer
17	Income tax act 1961(FPSI)	Income Tax	0.61	2015-16	Jurisdiction Assessing officer
18	Income tax act 1961(FPSI)	Income Tax	0.35	2017-18	Jurisdiction Assessing officer
19	Income tax act 1961(FIC)	Income Tax	0.05	2010-11	Jurisdiction Assessing officer
20	Income tax act 1961(FWI)	Income Tax	1.07	2016-17	Jurisdiction Assessing officer
21	Income tax act 1961(FWI)	Income Tax	16.52	2017-18	Jurisdiction Assessing officer
22	Income tax act 1961	Income Tax	1.05	2017-18	Jurisdiction Assessing officer
23	Income tax act 1961	Income Tax	20.72	2018-19	Commissioner of Income-Tax (Appeals)
24	Income tax act 1961	Income Tax	0.28	2020-21	Jurisdiction Assessing officer
25	Income tax act 1961	Income Tax	3.36	2021-22	Jurisdiction Assessing officer
Total			**105.72**		

Financial Year 2021-22

Sr. No	Name of the Statute	Name of the dispute	Amount (In Rs)	Period to which the amount	Forum where the dispute is pending
1	Central Sales Tax Act,1956	Central Sales Tax	0.06	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
2	Central Sales Tax Act,1956	Central Sales Tax	0.31	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
3	Central Sales Tax Act,1956	Central Sales Tax	0.55	2013-14	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
4	Central Sales Tax Act,1956	Central Sales Tax	0.51	2014-15	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
5	Central Sales Tax Act,1956	Central Sales Tax	1.03	2016-17	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
6	Central Sales Tax Act,1956	Central Sales Tax	0.07	2016-17	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
7	Central Sales Tax Act,1956	Central Sales Tax	3.02	2016-17	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
8	Income tax act 1961	Income Tax	1.05	2017-18	Jurisdiction Assessing officer
9	Income tax act 1961	Income Tax	20.72	2018-19	Commissioner of Income-Tax (Appeals)
10	Income tax act 1961	Income Tax	8.91	2020-21	Addl Director of Income-Tax (CPC)
Total			**36.24**		

Financial Year 2020-21

Sr. No	Name of the Statute	Name of the dispute	Amount (In Rs)	Period to which the amount	Forum where the dispute is pending
1	Central Sales Tax Act,1956	Central Sales Tax	0.06	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
2	Central Sales Tax Act,1956	Central Sales Tax	0.31	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
3	Central Sales Tax Act,1956	Central Sales Tax	0.55	2013-14	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
4	Central Sales Tax Act,1956	Central Sales Tax	0.51	2014-15	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
5	Central Sales Tax Act,1956	Central Sales Tax	1.03	2016-17	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
6	Central Sales Tax Act,1956	Central Sales Tax	0.07	2016-17	Joint Commissioner **(Appeals)-** I, State Tax, Dehradun
7	Income tax act 1961	Income Tax	1.05	2017-18	Jurisdiction Assessing officer
8	Income tax act 1961	Income Tax	20.72	2018-19	Commissioner of Income-Tax (Appeals)
Total			**24.31**		

Part D: Key Audit Matters not requiring adjustment to Restated Consolidated Summary Statements.

Financial Year 2022-23

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition (Refer note 2.8 of the Standalone Financial Statements)**	
	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/ deliveries, inventory reconciliations, substantive testing for cut-offs and analytical review procedures.
2	**Recoverability of Indirect tax and Insurance Claim receivables (Refer note 6 of the Standalone Financial Statements)**	
	As at March 31, 2023, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 4.97 million which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 15.91 million which is pending adjudication.	The Company has taken advice of the expert(s) with respect to the respective claim to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

Financial Year 2021-22

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition (Refer note 2.8 of the Standalone Financial Statements)**	
	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/ deliveries, inventory reconciliations, substantive testing for cut-offs and analytical review procedures.
2	**Recoverability of Indirect tax and Insurance Claim receivables (Refer note 5 of the Standalone Financial Statements)**	
	As at March 31, 2022, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 7.67 million which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 18.89 million which is pending adjudication.	The Company has taken advice of the expert(s) with respect to the respective claim to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

Financial Year 2020-21

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition (Refer note 2.8 of the Standalone Financial Statements)**	
	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/ deliveries, inventory reconciliations, substantive testing for cut-offs and analytical review procedures.
2	**Recoverability of Indirect tax and Insurance Claim receivables (Refer note 5 of the Standalone Financial Statements)**	
	As at March 31, 2021, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 15.36 million which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 16.41 million which is pending adjudication.	The Company has taken advice of the expert(s) with respect to the respective claim to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

OTHER FINANCIAL INFORMATION

The accounting ratios required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations as per the Restated Consolidated Financial Information are given below:

Particulars	As at and for the year ended March 31,		
	2023	**2022**	**2021**
Basic EPS (in ₹)	12.66	5.91	0.11
Diluted EPS (in ₹)	12.66	5.91	0.11
Return on net worth (%)	31.17	18.87	0.37
Return on Capital Employed (%)	31.24	17.41	0.14
Net asset value per share (in ₹)	46.90	34.25	28.34
EBITDA (in ₹ million)	1,835.12	975.68	229.97
EBITDA Margin (%)	19.47	16.90	7.72

***Notes**: The ratios have been computed as under:*

1. *Basic and diluted EPS:*

   Basic Earnings per Share and Diluted Earnings per Share calculations are done in accordance with the notified Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by the Companies (Indian Accounting Standard) Rules, 2015 as per Restated Consolidated Financial Information, as follows:

   Basic Earnings per Share = $\dfrac{\textit{Net Profit After Tax, as restated, attributable to equity shareholders for the year/period}}{\textit{Weighted average number of equity shares outstanding during the year, as adjusted for sub-division of equity shares on March 20, 2023 and the bonus issue of Equity Shares on March 24, 2023}}$

   Diluted Earnings per Share = $\dfrac{\textit{Net Profit After Tax, as restated, attributable to equity shareholders for the year/period}}{\textit{Weighted average number of equity shares outstanding during the year, as adjusted for sub-division of equity shares on March 20, 2023 and the bonus issue of Equity Shares on March 24, 2023}}$

2. *Return on net worth %:*

   Return on Net Worth (%) is calculated as consolidated profit after tax attributable to Equity shareholders for the year as a percentage of closing Net -Worth attributable to the owners of the company during that year and the previous year.

3. *Net worth*

   Net Worth as of the last day of the relevant year represents net worth which includes equity share capital + other equity (including securities premium and retained earnings).

4. *Net assets value per share (in ₹):*

   Net asset value per share represents net asset value per Equity Share as per Restated Consolidated Financial Information. It is calculated as Net Worth as of the end of relevant year divided by the number of Equity Shares outstanding at the end of such year (as adjusted for sub-division of equity shares on March 20, 2023 and the bonus issue of Equity Shares on March 24, 2023).

5. *EBITDA:*

   EBITDA has been calculated as restated profit before exceptional items and tax minus other income plus finance costs, depreciation and amortisation expense

6. *Return on Capital Employed (ROCE) - ROCE is calculated as EBIT as a % of Capital employed wherein capital employed refers to sum Total Equity and Net Debt (total debt – cash and marketable securities). EBIT is calculated as operating EBITDA minus depreciation and amortisation.*

7. *Accounting and other ratios are derived from the Restated Consolidated Financial Information.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the audited financial statements of our material subsidiary (in terms of the SEBI ICDR Regulations), Flair Writing Equipments Private Limited, as at and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 (together, the "**Audited Financial Statements**") are available on our website at www.flairworld.in/investor-relation.html

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. Except as disclosed in this Draft Red Herring Prospectus, the Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. Except as disclosed in this Draft Red Herring Prospectus, the Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Indian Accounting Standards, *i.e.*, Ind AS 24 – 'Related Party Disclosures' read with the SEBI ICDR Regulations, for the Financial Year 2023, Financial Year 2022 and Financial Year 2021, see Note 39 "*Restated Consolidated Financial Information—Related Party Disclosure*" on page 295.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization as at March 31, 2023, derived from the Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" on pages 318 and 29, respectively.

Particulars	**Pre-Offer as at March 31, 2023**	**As adjusted for the proposed Offer**
	(*in ₹ million*)	
Borrowings		
- Current borrowings (including current maturities of long term borrowings)	737.91	**[●]**
- Non-current borrowings	418.01	**[●]**
Total borrowings (A)	**1,155.92**	**[●]**
Equity		
- Equity share capital	466.94	**[●]**
- Other equity*	3,912.92	**[●]**
Total equity (B)	**4,379.86**	**[●]**
Ratio: Non-current borrowings/ Total equity (A/B)	**0.10**	**[●]**
Ratio: Total borrowings/Total equity	**0.26**	**[●]**

Note*: The amounts (as adjusted for the proposed Offer) are not determinable at this stage pending the completion of the book building process and accordingly have not been completed.*

**Other equity does not include other comprehensive income.*

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail loans in the ordinary course of business to meet our working capital, capital expenditure, business purposes and operational requirements, and for general corporate purposes. For details regarding the borrowing powers of our Board, see "*Our Management—Borrowing Powers of our Board of Directors*" on page 210.

Additionally, our Company has availed certain unsecured loans from certain Promoters, Directors and other related parties of our Company. For details, see "*Our Management—Interest of our Directors*" on page 213.

Set forth below is a brief summary of our aggregate borrowings as of June 30, 2023:[(1)]

Category of borrowings	Sanctioned amount	Outstanding amount
	(in ₹ million)	
Our Company		
Secured		
Term loans	460.00	226.56
Working capital facilities		
– Fund based	1,105.00	390.20
– Non-fund based	Nil	Nil
Vehicle loans	22.47	19.55
Unsecured		
Loans from Directors and other related parties of the Company	1,365.00	278.38
Sub Total (A)	**2,952.47**	**914.69**
FCIPL		
Secured		
Term loans	200.00	147.87
Working capital facilities	80.00	0.03
Sub Total (B)	**280.00**	**147.89**
FWEPL		
Secured		
Term loans	270.00	151.69
Working capital facilities	50.00	46.76
Sub Total (C)	**320.00**	**198.45**
Total (A+B+C)	**3,552.47**	**1,261.03**

(1) *As certified by the Statutory Auditors, pursuant to their certificate dated July 14, 2023.*

Principal terms of the facilities sanctioned to our Company and our Subsidiaries:

1. ***Interest:***

   In respect of the facilities sanctioned to our Company and our Subsidiaries, the interest rate ranges from 6.50% per annum to 10.14% per annum. The interest rate for the loans sanctioned to our Company and our Subsidiaries is typically tied to a base rate / marginal cost of lending rate, which may vary from lender to lender.

2. ***Tenor:***

   The tenor of the term loans availed by our Company and our Subsidiaries is typically for five years. The tenor of working capital limits of our Company and our Subsidiaries typically ranges from 6 months to 1 year and such facilities are repayable on demand. Our Company has availed certain export credit facilities which typically ranges from 65 days to 120 days. Our Company has availed unsecured loans from certain Directors of our Company and their relatives, the tenor of which is 12 years. Further, our Company had availed certain vehicle loans which typically ranges from 37 months to 60 months.

3. ***Security:***

Our borrowings are typically secured by a first exclusive or *pari passu* charge by way of hypothecation on all present and future stock, receivables and movable fixed assets, including plant and machinery. Some of our borrowings are also secured by way of mortgage on specified property of our Company. Further, as part of security for certain borrowings availed by our Subsidiaries, our Company has given corporate guarantee in favour of certain lenders. Borrowings of our Subsidiaries are typically secured by equitable mortgage on the land and buildings, charge on current assets and movable fixed assets of the project. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company and our Subsidiaries.

4. ***Pre-payment:***

Facilities availed by us typically have pre-payment provisions which allow for pre-payment of the outstanding amount, in part or full, upon receiving prior approval from such lender, subject to pre-payment fees, as laid down in the facility agreements. Among the facilities, which specify pre-payment fees, the fees is typically 2% to 5% of the amount outstanding and proposed to be pre-paid. Our Company has availed an unsecured loan from certain Directors of our Company and their relatives, which can be prepaid without prior approval of such Directors and their relatives, and without payment of any pre-payment fees.

5. ***Penalty:***

Facilities availed by our Company and our Subsidiaries contain provisions prescribing penalties for delayed payment or delay in submission of documents required under such facility documents, non-creation of security and default in our repayment obligations, which typically ranges from 10.10% per annum to 24% per annum or as mutually between our Company and the respective lender, as applicable of the amounts due and payable.

6. ***Events of Default:***

The financing arrangements entered into by us contain standard events of default including, among others:

(i) non-payment or default of any amount due on facility or loan obligations;
(ii) breach of covenants, representations, warranties, undertakings and conditions stipulated in the loan documents;
(iii) default on amounts due to/facilities extended by any other lender;
(iv) default in the performance of any covenants, condition or undertaking on our part;
(v) proceedings related to winding up, liquidation or insolvency initiated against us;
(vi) revocation/ non-renewal of operating licenses and authorizations applicable to us;
(vii) our Company or our Subsidiaries misuses the loan;
(viii) change in control of our Company or our Subsidiaries
(ix) our Company or our Subsidiaries ceasing to or threatening to cease to carry on its business; and
(x) material adverse change impacting our Company or our Promoters.

The details above are indicative and there may be additional terms that may amount to an event of default under various financing arrangements entered into by us. We are required to ensure that the aforementioned events of default and other events of default, as specified under the various facility documents and agreements entered into by us, are not triggered.

7. ***Consequences of occurrence of events of default:***

In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

(i) review/revoke the sanction of the loan and in case the loan has already been disbursed, to the withhold disbursement of the balance loan amount and to recall the loan already advanced in certain circumstances;
(ii) impose penal/default interest;
(iii) review management setup of our Company and restructure it, including a right to form new committees;
(iv) accelerate the facility and declare all amounts payable by our Company or our Subsidiaries, as

applicable, in respect of the facility to be due and payable immediately or otherwise payable on demand;

(v) file suit for specific performance of any covenant, condition or term contained in the facility documents and agreements or for an injunction against the violation of terms and conditions of the facility documents and agreements;

(vi) enforce the security.

The details above are indicative and there may be additional terms that may amount to an event of default under various financing arrangements entered into by us.

8. Restrictive Covenants:

Certain borrowing arrangements entered into by our Company and our Subsidiaries contain restrictive covenants including covenants restricting certain actions except with the prior approval of the lender or an intimation to the lender, as applicable. An indicative list of such restrictive covenants is disclosed below.

(i) lender's unconditional and absolute right to cancel the undrawn facility (either partially or fully) with or without prior notice upon the occurrence of specified circumstances stipulated in the facility documents;

(ii) lender's right to seek certain amendments to the constitutional documents of our Company in order to ensure compliance and consistency with the terms of the facility documents;

(iii) restriction on undertaking certain corporate actions except with the prior approval of the lender, including:

- effecting any change in the ownership, control or management of our Company and our Subsidiaries;
- effecting any material change of our Company's constitution, capital structure or shareholding pattern;
- effecting change in composition of board of directors and appoint/ remove persons holding substantial powers of management;
- create or permit to subsist any encumbrance, mortgage or charge over all or any of the present and future properties, assets or revenues;
- declare or pay any dividends in respect of any Financial Year if an event of default has occurred or is continuing;
- amend/modify constitutional documents of our Company; and
- make any investments by way of deposits, loans or investment in share capital.

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 and our Subsidiaries.

9. Inter-corporate Loans

Our Company has granted loans to our Subsidiaries. For details, see "*Financial Statements*" beginning on page 234. As of June 30, 2023, the aggregate outstanding amount due on inter-corporate loans disbursed by our Company to our Subsidiaries is ₹433.79 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to convey the management's perspective on our financial condition and results of operations as of and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and should be read in conjunction with our Restated Consolidated Financial Information, including the related schedules, notes, annexures and the significant accounting policies thereto included in "Restated Consolidated Financial Information" on page 234 along with the sections "Summary Restated Consolidated Financial Information", and "Financial Information" on pages 67 and 234, respectively.

Our financial year commences on April 1 and ends on March 31 of the immediately subsequent year. Accordingly, references to "Financial Year 2021", "Financial Year 2022" and "Financial Year 2023", are to the 12-month period ended March 31 of the relevant year.

Unless otherwise indicated or the context requires otherwise, the financial information included in this section is derived from our Restated Consolidated Financial Information. The 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. Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. We have not attempted to quantify the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Also see "Risk Factors—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" on page 60. We have also included various financial and operational performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Information. The manner of calculation and presentation of some of the financial and operational performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. See "Risk Factors—We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operating and financial performance in this Draft 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 54.

The industry information contained in this section is derived from the report "An Assessment of writing and creative instruments and steel bottle industry in India" dated June 2023 prepared by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited and commissioned by our Company in connection with the Offer. 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.

For further details and risks in relation to the CRISIL Report, see "Risk Factors—Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by us exclusively in connection with the Offer" on page 53 and "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 23.

Unless otherwise stated, or the context otherwise requires, any reference to "the Company" or "our Company" refers to our Company on a standalone basis, and a reference to "we", "us" or "our" refers to our Company together with our Subsidiaries, on a consolidated basis.

Some of the information in this section, 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 27 and 29, 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.

Overview

We are the largest player in pens segment reporting a revenue of ₹7,541.8 million in Financial Year 2023 from the pens writing instruments segment in India, according to CRISIL. We are among the top three players in the overall writing 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. According to CRISIL, 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 CAGR of 5.5% between Financial Year 2017 and 2023, we grew at a CAGR of approximately 14% during the same period. 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 flagship brand "Flair" has enjoyed a market presence of over 45 years and has a high brand recall among our customers. We have an extensive range of products across various price points and cater to a broad range of consumers, including students, professionals and offices. We manufacture and distribute writing instruments including pens, stationery products and calculators. Leveraging on our manufacturing capabilities, and our existing customer base in the writing and creative instruments business, we have also diversified into manufacturing houseware products and steel bottles.

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 328.30 million units or 25.18% was exported globally. Compared with other key organized players in the writing and creative instruments industry such as DOMS, Camlin, Linc and Luxor, our Company had the largest distributor/dealer network and wholesale/retailer network, in the writing instruments segment in India, according to CRISIL, approximately 7,700 distributors/dealers and approximately 315,000 wholesalers/retailers, as of March 31, 2023. We occupied a market share of 7.1% in the export of writing and creative instruments industry, in Financial Year 2023, according to CRISIL.

We manufacture and distribute several brands in India and due to our ability to manufacture quality products and our distribution and retail capabilities, we are able to partner with various international brands in the writing instruments industry. Our products are sold under our "Flair" brand Flair WORLD CLASS PENS, our principal brands "Hauser" HAUSER Germany and "Pierre Cardin" pierre cardin PARIS and we have recently introduced "ZOOX" ZOOX in India. Our brands "Flair" and "Hauser" offer mass-market and premium pen and stationery products, our brand "ZOOX" focusses on mid-premium and premium writing instruments, and our "Pierre Cardin" brand offers premium pen and stationery products. We also contract manufacture writing instruments as an OEM for export and for sale in India, which contributed 19.94%, 33.37% and 38.67% to our revenue from operations in the Financial Years 2023, 2022 and 2021, respectively. We also provide customized corporate gifting products to our corporate customers.

Our product range includes a variety of pens (ball pens, fountain pens, gel pens, roller pens and metal pens), which is our largest category in terms of number of products offered, stationery products (mechanical pencils, highlighters, correction pens, markers, gel crayons and kids' stationery kits) and calculators. We launched a range of "Flair Creative" products in Financial Year 2021 which include water colours, crayons, sketch pens, erasers, wooden pencils and geometry boxes, fine liners, sharpeners and scales. We offered 699 different products as of March 31, 2023.

We have recently forayed into manufacturing a wide range of houseware products including casseroles, bottles, storage containers, serving solutions, cleaning solutions and basket and paper bins, through one of our Subsidiaries, FWEPL. We intend to utilize a portion of the proceeds from the Offer for funding capital expenditure of FWEPL for purchase of machinery and moulds to expand its manufacturing capacity for writing instruments. For further details, see "*Objects of the Offer*" on page 96. We intend to leverage the strength of the "Flair" brand and our manufacturing and distribution capabilities to expand and optimize the business of houseware products and steel bottles, which is expected to be a key area of our growth going forward. We have recently commenced manufacturing steel bottles through one of our Subsidiaries, FCIPL, in March 2023. According to CRISIL, the steel bottle industry in India is projected to grow at a CAGR of 14-16% between Financial Year 2023 and 2028. We have received an order from one of our key OEM customers with whom our Company has a relationship of more than 15 years. One manufacturing line has been commissioned in the month of March 2023, according to the Chartered Engineer, pursuant to the certificate dated July 12, 2023 and we intend on commissioning two more manufacturing lines during the second half of Financial Year 2024 at our manufacturing plant in Valsad, Gujarat.

We manufacture pens and other products from 11 manufacturing plants located in Valsad, Gujarat; in Naigaon (near Mumbai), Maharashtra; in Daman, Union Territory of Dadra and Nagar Haveli and Daman and Diu; and in Dehradun, Uttarakhand.

The table below sets details of our production capacity, capacity utilization, effective production capacity and effective capacity utilization, for the periods indicated:

Particulars	Financial Year				
	2023	% change	2022	% change	2021
Production capacity (*in million pieces*)	2,023.68	9.07	1,855.32	5.46	1,759.24
Capacity utilization (*in %*)	72.82	24.67	58.41	73.74	33.62
Effective production capacity (*in million pieces*)	1,978.33	9.63	1,804.48	3.08	1,750.51
Effective capacity utilization (*in %*)	74.49	24.05	60.05	77.72	33.79

(1) *Effective capacity means actual available capacity of the machines and moulds for the year which can be put to use. For example, a machine installed in March 2023 will have an annual installed capacity of 100 units while the effective capacity would only be 1/12 x 100 = 8.33 units.*

(2) *Based on the certificate dated July 12, 2023 issued by the Chartered Engineer.*

In India, our products reach consumers through a diverse 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 131 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 March 31, 2023, which were supported by 900 sales and marketing employees. Our relationship with our top 5 super-stockists (in terms of their contribution to our revenue from operations for the Financial Year 2023) averaged approximately 25 years. We had a retail presence in 2,387 cities, towns and villages in India, as of March 31, 2023. Besides traditional distribution channels, our products are also sold through modern retail outlets, as well as e-commerce platforms. As of March 31, 2023, we had 54 international distributors catering to a specific region or country. Our products were sold by us and our distributors in 97 countries as of March 31, 2023. Our marketing and brand-building initiatives have a two-fold aim of reaching consumers as well as our distribution network partners. For further details, see "—*Sales, Marketing and Distribution*" on page 187.

Our management is led by the guidance of our Promoters and the professional management team. Our Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, have more than four decades of experience in the writing instruments industry and 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. We also have a professional management team which includes our Key Managerial Personnel and Senior Management. Our Promoters are complemented by the senior management team with an exhaustive experience across the writing and creative instruments industry in India. The senior management team has been instrumental in formulating sound business strategies and in our growth. For further details, see "*Our Management*" on page 205.

According to CRISIL, between Financial Years 2023 and 2028, the organized players in the writing and creative instruments industry in India are poised to experience significant faster growth when compared to the unorganized players. According to CRISIL, the higher growth rate among organized players is attributed to the increase in market share from the unorganized sector during the COVID-19 pandemic and the expansion of product offerings by organized players across various categories and age groups. According to CRISIL, the key seven organized players in the writing and creative instrument industry in India, including our Company, have grown faster than the rest of the organized players. While COVID-19 (in Financial Year 2020) impacted the overall industry, post pandemic (between Financial Year 2021 to 2023), the key seven organized players played a pivotal role in driving industry growth which is attributable to entering into new price segments in the existing category of products. According to CRISIL, the key seven organized players are expected to continue the growth momentum and grow at a CAGR of 7.7-8.4% between Financial Years 2023 and 2028 which is expected to be driven by factors such as a rise in literacy rates and government initiatives towards education. 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 has positioned us to capture a higher market share of the fast-growing Indian writing instruments industry and we will benefit from the expected growth of this industry.

According to CRISIL, the perceived magnitude of the threat posed by digital education has subdued than initially anticipated during the pandemic with prominent online education platforms shifting towards establishing physical coaching centers, indicating unlikely displacement of offline education.

Non-GAAP Measures

We use certain supplemental non-generally accepted accounting principles measures ("**Non-GAAP Measures**") to review and analyse our financial and operating performance from period to period, and to evaluate our business, and for forecasting purposes. Although these Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because they are widely used measures to evaluate a company's operating and financial performance. Further, our management believes that when taken collectively with financial measures prepared in accordance with Ind AS, these Non-GAAP Measures may be helpful to investors because they provide an additional tool for investors to use in evaluating our ongoing results and trends. Presentation of these Non-GAAP Measures and key 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 Consolidated Financial Information set out in this Draft Red Herring Prospectus.

These Non-GAAP Measures are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools which indicate, among other things, that they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments; changes in, or cash requirements for, our working capital needs; and the finance cost, or cash requirements. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements. These Non-GAAP 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 Non-GAAP Measures and key performance indicators should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, cash flows, liquidity or profitability.

Also see "*Risk Factors—We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operating and financial performance in this Draft 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 54.

The table below sets forth certain Non-GAAP Measures as of and for the periods indicated.

S. No.	Metric	As of and for the Financial Year		
		2023	2022	2021
1.	Net Profit Ratio(1)	12.53%	9.55%	0.33%
2.	Return on Investment (2)	27.15%	17.40%	0.38%
3.	Current Ratio(3)	2.23	2.37	3.41
4.	Debt Service Coverage Ratio (4)	2.77	1.59	0.47
5.	Inventory Turnover Ratio (5)	3.49	2.80	1.77
6.	Trade Receivables Turnover ratio (6)	5.94	4.39	2.02
7.	Trade Payable Turnover Ratio (7)	9.44	7.90	2.58
8.	Net Capital Turnover Ratio (8)	4.38	2.84	1.52

Notes:

(1) *Calculated as profit after tax divided by revenue from operations*
(2) *Calculated by dividing profit after tax by total equity*
(3) *Calculated as current assets divided by current liabilities*
(4) *Calculated as the sum of profit before tax, depreciation and amortization expense and finance cost divided by the sum of lease payments, principal repayments of secured and unsecured loans, and finance cost related to borrowings*
(5) *Calculated as the sum of restated cost of materials consumed, purchase of traded goods, direct expenses, employee costs and change in inventory divided by average inventory (average of opening and closing inventory)*
(6) *Calculated as revenue from operations divided by average trade receivables*
(7) *Calculated as purchases divided by average trade payables*
(8) *Calculated as revenue from operations divided by average working capital*

Set out below are definitions of, and reconciliation to GAAP measures pertaining to the abovementioned Non-GAAP Measures, along with a brief explanation of their calculation.

Net Profit Ratio

Net Profit Ratio is calculated by dividing the profit after tax of a particular Financial Year by the revenue from operations for that Financial Year and expressed as a percentage. The table below sets out the reconciliation of our PAT to our total income for the Financial Years indicated.

Metric	As of and for the Financial Year		
	2023	2022	2021
	(in ₹ million, unless otherwise specified)		
Profit after tax (A)	1,181.00	551.51	9.89
Revenue from operations (B)	9,426.60	5,773.98	2,979.88
Net Profit Ratio % (A/B) [(1)]	**12.53**	**9.55**	**0.33**

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(1) *Our Net Profit Ratio increased to 12.53% in Financial Year 2023 from 9.55% in Financial Year 2022 and to 9.55% in Financial Year 2022 from 0.33% in Financial Year 2021 due to increase in revenue and resultant profitability. Further, the increase is attributable to increased efficiencies which meant our costs increased at a lesser pace than our sales. With increase in sales, our fixed cost got distributed, thereby increasing our profit margins*

Return on Investment

Return on Investment is calculated by dividing the profit after tax of a particular Financial Year by the total equity as of that Financial Year and expressed as a percentage. The table below sets out our Return on Investment for the Financial Years indicated.

Metric	As of and for the Financial Year		
	2023	2022	2021
	(in ₹ million, unless otherwise specified)		
Profit after tax (A)	1,181.00	551.51	9.89
Total equity (B)	4,349.51	3,169.79	2,616.02
Return on Investment % (A/B) [(1)]	27.15	17.40	0.38

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(1) *Our Return on Investment increased to 27.15% in Financial Year 2023 from 17.40 in Financial Year 2022 and to 17.40% in Financial Year 2022 from 0.38% in Financial Year 2021 due to increase in revenue and the resultant profitability*

Current Ratio

Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities. The table below sets out details of our Current Ratio, as of the dates indicated below.

Metric	As of March 31		
	2023	2022	2021
	(in ₹ million, unless otherwise specified)		
Current assets (A)	4,106.28	3,522.60	2,863.82
Current liabilities (B)	1,839.94	1,485.53	840.77
Current Ratio (A/B) [(1)]	2.23	2.37	3.41

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(1) *Our Current Ratio decreased to 2.23 times in Financial Year 2023 from 2.37 times in Financial Year 2022 and to 2.37 times in Financial Year 2022 from 3.41 times in Financial Year 2021 due to increase in short term borrowings*

Debt Service Coverage Ratio

Debt Service Coverage Ratio measures our ability to meet principal and interest payment obligations from available earnings and is calculated by dividing the sum of (i) earnings available for debt-service, *i.e.*, the profit before tax (less other income), (ii) depreciation and amortisation expense, and (iii) finance cost related to borrowings; by (i) finance cost related to borrowings, (ii) lease payments, (iii) principal repayments of secured and unsecured loans during the year. The table below sets out the calculation of our Debt Service Coverage Ratio, for the Financial Years indicated below**.**

Metric	As of and for the Financial Year		
	2023	2022	2021
	(in ₹ million, unless otherwise specified)		
Profit before tax (A)	1,587.99	734.48	21.37
Other income (B)	116.31	102.43	128.85
Depreciation and amortisation expense (C)	273.41	243.66	224.34
Finance cost related to borrowings (D)	75.42	89.88	112.53
Lease payments (E)	34.30	32.73	32.12
Principal repayments of secured and unsecured loans (F)	547.04	483.15	340.59
Debt Service Coverage Ratio ((A-B+C+D)/(D+E+F)) (1)	2.77	1.59	0.47

(1) *Our Debt Service Coverage Ratio increased to 2.77 times in Financial Year 2023 from 1.59 times in Financial Year 2022 and to 1.59 times in Financial Year 2022 from 0.47 times in Financial Year 2021 due to increase in profits*

Inventory Turnover Ratio

Inventory Turnover Ratio is calculated by dividing the cost of goods sold, *i.e.*, the sum of restated (i) cost of material consumed; (ii) purchase of traded goods; (iii) direct expenses; (iv) employee costs; (v) change in inventory; by the average inventory (average of opening and closing inventory) for the Financial Year. The table below sets out our inventory turnover ratio for the Financial Years indicated.

Metric	As of and for the Financial Year		
	2023	2022	2021
	(in ₹ million, unless otherwise specified)		
Cost of goods sold (A) = (I+II+III+IV+V)	6,939.55	4,418.54	2,498.71
Cost of materials consumed (I)	5,081.51	3,336.25	1,461.04
Purchase of traded goods (II)	61.65	47.24	47.59
Direct expenses (III)	678.49	458.59	250.59
Employee costs (IV)	1,173.36	878.01	583.88
Change in inventory (V)	(55.47)	(301.55)	155.61
Average inventory (B)	1,990.28	1,578.40	1,407.82
Inventory Turnover Ratio (A/B) (1)	3.49	2.80	1.77

(1) *Our Inventory Turnover Ratio increased by 24.64 % to 3.49 times in Financial Year 2023 from 2.80 times in Financial Year 2022 and by 58.19% to 2.80 times in Financial Year 2022 from 1.77 times in Financial Year 2021 due to increase in purchases in line with revenue*

Trade Receivables Turnover Ratio

Trade Receivables Turnover Ratio is calculated by dividing revenue from operations with the average trade receivables of the Financial Year. The table below sets out our Trade Receivables Turnover Ratio for the Financial Years indicated.

Metric	As of and for the Financial Year		
	2023	2022	2021
	(in ₹ million, unless otherwise specified)		
Revenue from operations (A)	9,426.60	5,773.98	2,979.88
Trade receivables at the end of Financial Year (I)	1,706.72	1,469.70	1,158.40
Trade receivables at the beginning of Financial Year (II)	1,469.70	1,158.40	1,784.79
Average trade receivables (B) = (I+II)/2	1,588.21	1,314.05	1,471.59
Trade Receivables Turnover Ratio (A/B) (1)	5.94	4.39	2.02

(1) *Our Trade Receivables Turnover Ratio increased by 35.31% to 5.94 times in Financial Year 2023 from 4.39 times in Financial Year 2022 and by 117.33% to 4.39 times in Financial Year 2022 from 2.02 times in Financial Year 2021 due to increase in revenue*

Trade Payable Turnover Ratio

Trade Payable Turnover Ratio is calculated by dividing purchases for a Financial Year by the average of opening and close trade payables for that Financial Year. The table below sets out our trade payable turnover ratio for the Financial Years indicated.

Metric	As of and for the Financial Year		
	2023	2022	2021
	(in ₹ million, unless otherwise specified)		
Purchases (A)	5,375.47	3,611.11	1,475.99
Opening trade payables (I)	502.92	410.88	732.37
Closing trade payables (II)	635.66	502.92	410.88
Average trade payables (B) = (I+II)/2	569.29	456.90	571.62
Trade Payable Turnover Ratio (A/ B) (1)	9.44	7.90	2.58

(1) *Our Trade Payable Turnover Ratio increased by 19.49% to 9.44 times in Financial Year 2023 from 7.90 times in Financial Year 2022 and by 206.20% to 7.90 times in Financial Year 2022 from 2.58 times in Financial Year 2021 due to increase in the cost of goods sold in line with revenue*

Net Capital Turnover Ratio

Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by the average of our closing working capital and opening working capital. The table below sets out our Net Capital Turnover Ratio, for the Financial Years indicated.

Metric	As of and for the Financial Year		
	2023	2022	2021
	(in ₹ million, unless otherwise specified)		
Revenue from operations (A)	9,426.60	5,773.98	2,979.88
Current assets (I)	4,106.28	3,522.60	2,863.82
Current liabilities (II)	1,839.94	1,485.53	840.77
Working capital (B) = (I) – (II)	2,266.34	2,037.07	2,023.05
Opening working capital (C)	2,037.07	2,023.05	1,905.44
Net Capital Turnover Ratio (A/(B+C)/2) (1)	4.38	2.84	1.52

(1) *Our Net Capital Turnover Ratio increased by 54.22% to 4.38 times in Financial Year 2023 from 2.84 times in Financial Year 2022 and by 86.84% to 2.84 times in Financial Year 2022 from 1.52 times in Financial Year 2021 due to increase in revenue*

Discussion of our Key Performance Indicators

We utilize a set of financial and non-financial key performance indicators that our management reviews in evaluating the performance of our business. Our management believes that the presentation of these key performance indicators in this Draft Red Herring Prospectus are important to understanding our performance from period to period and also have an impact on our results of operations. These key performance indicators may or may not be compatible with similarly-titled metrics presented by others operating in our industry. These indicators are not intended to be a substitute for, or superior to, any measures of performance prepared in accordance with Ind AS, and may not fully reflect our financial performance, liquidity, profitability or cash flows. Set forth below are some of our key operational performance indicators as of and for the periods indicated, along with reasons for the changes, increases or decrease in these key operational performance indicators during the periods indicated.

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S. No.	Metric	As of and for the Fiscal			Primary reasons for the changes, increases or decrease in key performance indicators
		2023	2022	2021	
		(in ₹ million, unless otherwise specified)			
1.	Number of pens sold (cumulative for the Financial Year) (in million)	1,303.60	964.30	628.38	Number of pens sold increased by 35.19% in Financial Year 2023 and 53.46% in Financial Year 2022 primarily because of increased sales reach due to increase in number of employees in the sales department, deeper penetration in existing markets and introduction of new range of products.
2.	Number of distributors/dealers	7,754	7,307	5,638	Number of distributors/ dealers increased by 6.12% in Financial Year 2023 and 29.60% in Financial Year 2022 primarily due to onboarding of new distributors and dealers.
3.	Number of wholesalers/retailers	315,000	235,000	180,000	Number of wholesalers/retailers increased by 34.04% in Financial Year 2023 and 30.56% in Financial Year 2022 primarily because of increased direct and indirect reach at the retailer level by our sales team and through dealers and distributors.
4.	Revenue from operations(1)	9,426.60	5,773.98	2,979.88	Our revenue from operations increased by 63.26% in Financial Year 2023 and 93.77% in Financial Year 2022 primarily because of increased sales reach due to increase in number of employees in the sales department, deeper penetration in existing markets, increase in realization and introduction of a new range of products.
5.	Revenue from domestic operations(2)	7,499.86	4,368.07	1,836.93	Our revenue from domestic operations increased by 71.70% in Financial Year 2023 and 137.79% in Financial Year 2022 primarily because of increased sales reach due to increase in number of employees in the sales department, deeper penetration in markets, increased realization and introduction of a new range of products including in the mid-premium and premium segments of pens.
6.	Revenue from export operations(3)	1,926.74	1,405.91	1,142.95	Our revenue from export operations increased by 37.05% in Financial Year 2023 and 23.01% in Financial Year 2022 primarily due to expansion of our distribution network including to new countries where we export our products, opening of new markets, increased realization, introduction of new range of products, increase in exchange rates and the opening up of the global economy after the COVID-19 pandemic.
7.	Gross Material Margin(4)	4,338.90	2,692.05	1,315.65	Our gross material margin increased by 61.17% in Financial Year 2023 and 104.62% in Financial Year 2022 primarily due to cost optimization and increase in sales as compared to cost. With the increase in sales, and increase in buying of raw materials in bulk volumes, leading to an increase in our gross material margin. In addition, the cost of raw material was negotiated on terms favourable tous.
8.	EBITDA(5)	1,835.12	975.68	229.97	Our EBITDA increased by 88.09% in Financial Year 2023 and 324.26% in Financial Year 2022 primarily due to cost optimization and increase in sales as compared to cost. With the increase in sales, our costs were distributed leading to an increase in our EBITDA.
9.	EBITDA Margin (%)(6)	19.47	16.90	7.72	Our EBITDA Margin increased by 15.21% in Financial Year 2023 and

S. No.	Metric	As of and for the Fiscal			Primary reasons for the changes, increases or decrease in key performance indicators
		2023	2022	2021	
		(in ₹ million, unless otherwise specified)			
					118.91% in Financial Year 2022 primarily due to cost optimization and increase in sales as compared to cost. With the increase in sales, our costs were distributed leading to an increase in our EBITDA Margin.
10.	Profit after tax (PAT)[7]	1,181.00	551.51	9.89	Our profit after tax increased by 114.14% in Financial Year 2023 and 5,476.44% in Financial Year 2022 primarily due to cost optimization and increase in sales as compared to cost. With the increase in sales, our costs were distributed leading to an increase in our PAT.
11.	PAT Margin (%)[8]	12.53	9.55	0.33	Our PAT Margin increased by 31.20% in Financial Year 2023 and 2,793.94% in Financial Year 2022 primarily due to cost optimization and the increase in sales as compared to cost. With the increase in sales, our costs were distributed leading to an increase in our profit margin.
12.	Gross Material Margin (%)[9]	46.03	46.62	44.15	Our Gross Material Margin decreased marginally by 1.27% in Financial Year 2023 due to change in our product mix and increased by 5.59% in Financial Year 2022 primarily due to cost optimization and increase in sales as compared to cost. With the increase in sales, our costs were distributed leading to an increase in our gross material margin in the Financial Year 2022.
13.	Return on Capital Employed Ratio (%)[10]	31.24	17.41	0.14	Our Return on Capital Employed Ratio increased by 79.44% in Financial Year 2023 and 12,335.71% in Financial Year 2022 primarily due to cost optimization and the increase in sales as compared to cost. With the increase in sales, our costs were distributed leading to an increase in our profit margins and consequently, higher return on capital employed ratio.
14.	Return on Equity Ratio (%)[11]	31.17	18.87	0.37	Our Return on Equity Ratio increased by 65.18% in Financial Year 2023 and 5,000% in Financial Year 2022 primarily due to cost optimization and the increase in sales as compared to cost. With the increase in sales, our costs were distributed leading to an increase in our profit margins and consequently, higher return on equity ratio.
15.	Trade Receivable Days[12]	61	83	180	Our Trade Receivable Days decreased by 26.51% in Financial Year 2023 and 53.89% in Financial Year 2022 primarily due to enhanced focus on receivables by employing stricter terms of payment due to us.
16.	Inventory Days[13]	143	187	309	Our Inventory Days decreased by 30.77% in Financial Year 2023 and 65.24% in Financial Year 2022 primarily due to increase in sales volume which led to lower inventory holdings.
17.	Trade Payable Days[14]	41	54	125	Our Trade Payable Days decreased by 24.07% in Financial Year 2023 and 56.8% in Financial Year 2022 primarily due to efficient working capital management and better cash flow, which was utilized towards payment to creditors in advance.
18.	Working Capital Cycle (Days)[15]	163	216	364	Our Working Capital Cycle decreased by 24.54% in Financial Year 2023 and 40.66% in Financial Year 2022 primarily due to efficient working capital

S. No.	Metric	As of and for the Fiscal			Primary reasons for the changes, increases or decrease in key performance indicators
		2023	2022	2021	
		(in ₹ million, unless otherwise specified)			
					management and better cash flow.
19.	Debt to Equity Ratio[16]	0.26	0.39	0.49	Our Debt to Equity Ratio decreased by 33.33% in Financial Year 2023 and 20.41% in Financial Year 2022 primarily due to efficient working capital management and better cash flow, which was utilized towards repayment of loans.
20.	Net Debt/EBITDA[17]	0.63	1.29	4.93	Our Net Debt/EBITDA decreased by 51.16% in Financial Year 2023 and 73.83% in Financial Year 2022 primarily due to efficient working capital management and better cash flow, which was utilized towards repayment of loans, and increased cost optimization, which lead to an increase in our Net Debt/EBITDA.
21.	Sales and Marketing Expenditure Ratio (%)[18]	1.48	0.89	0.75	Our Sales and Marketing Expenditure Ratio increased by 66.29% in Financial Year 2023 and 18.67% in Financial Year 2022 primarily due to increased expenditure on branding activities, outdoor advertisements including hoardings and providing point-of-purchase (POP) materials to trade channels.
22.	EPS (in ₹)[19]	12.66	5.91	0.11	Our EPS increased by 114.21% in Financial Year 2023 and 5,272.73% in Financial Year 2022 primarily due to an increase in profitability.

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 profit after tax by average of closing Net Worth during that year and the previous year*
(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 direct cost (including cost of goods sold and other direct expenses) 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 Receivables 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*

For further information, see "*Basis for Offer Price*" and "*Our Business*" on pages 120 and 161, respectively.

Significant Factors Affecting our Results of Operations and Financial Condition

Our results of operations and financial condition 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 flagship brand "Flair" (which was introduced in 1976), our principal brands, "Hauser" and "Pierre Cardin" and we have recently introduced "ZOOX" in India. As of March 31, 2023, our extensive product range comprised 699 different products, including pen products (ball pens, fountain pens, gel pens, roller pens and metal pens), which is our largest category in terms of number of products offered, stationery products (mechanical pencils, highlighters, correction pens, markers, gel crayons and kids' stationery kits) and calculators. We have launched a range of "Flair Creative" products in 2021 which include water colours, crayons, sketch pens, erasers, wooden pencils and geometry boxes, fine liners, sharpeners and scales. We have developed a reputation as one of the key manufacturers of pens writing instruments in India, according to CRISIL. The number of products offered by us as of March 31, 2023, are set out below:

Brand/other	Number of products (As of March 31, 2023)
Flair pens	250
Flair creatives/ stationery	128
Flair calculators	19
Hauser pens	121
Pierre Cardin pens	179
ZOOX pens	2
Total	**699**

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. Our pen and stationery products are offered across a wide range of prices, including in both the mass-market segment with prices between ₹5 and ₹15 and the mid-premium segment with prices between ₹16 and ₹100 and the premium segment priced above ₹100. This approach helps us cater to all target consumers, including students, professionals and offices. Our margins and profitability are generally higher in the mid-premium segment and premium segment as compared with the mass-market segment, particularly products which are priced between ₹20 to ₹50. However, we view presence in the mass-market as critical to market penetration, brand recognition and acceptance in our distribution network.

Details of revenue from operations from sale of products (domestic) for the periods indicated, are set out below:

Particulars	Revenue from sale of products (domestic)					
	2023		2022		2021	
	(in ₹ million)	*(in %)*	*(in ₹ million)*	*(in %)*	*(in ₹ million)*	*(in %)*
Sale of products (domestic)	7,478.21	79.33	4,342.05	75.20	1,824.01	61.21

Details of our revenue from operations from sale of our pen products by brand for the periods indicated, are set out below:

Brand	Revenue from operations for the Financial Year		
	2023	2022	2021
	(in ₹ million)		
Flair pens	3,236.14	1,843.27	963.64
Hauser pens	1,929.97	760.44	334.91
Pierre Cardin pens	524.16	357.18	141.40
Others(1)	1,567.31	1,691.50	1,017.64
Total	**7,257.58**	**4,652.39**	**2,457.59**

(1) All other brands including the OEM brands

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. We believe that our brands command credibility in the market and provides a competitive advantage in existing markets and to enter new markets, growing our product range, entering into distribution arrangements and connecting with consumers. Our multi-tiered nationwide domestic sales and distribution network enables our products to reach a wide range of consumers and help to ensure effective market penetration across geographies. Brand development and product differentiation are crucial to the success of our business. Our 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.

Exports

Our exports comprise sales of products manufactured by us including writing and creative instruments and other stationery products, as well as products which we contract manufacture as an OEM for international customers. As of March 31, 2023, we had sold 1,303.60 million units of pens, of which 975.30 million units or 74.82 % was sold domestically, and 328.30 million units or 25.18% was exported globally. Further, as of March 31, 2023, our products were sold in 97 countries.

Set forth below is a table of the top five export countries and the revenue from the top five export countries in terms of percentage of our (i) sale of products (exports); and (ii) sale of products for the Financial Years indicated.

Financial Year	**Countries**	**Revenue from sale of products (exports)** *(in ₹ million)*	**Revenue as a percentage of sale of products (exports)** *(in %)*	**Revenue as a percentage of sale of products** *(in %)*
2023	U.S., U.A.E, Yemen, Colombia, Japan	1,130.27	61.19	11.99
2022	U.S., Switzerland, Yemen, U.A.E., Japan	798.67	59.35	13.83
2021	U.S., Yemen, Switzerland, Japan, U.A.E	643.88	59.52	21.61

Details of revenue from operations from sale of products (exports) for the periods indicated, are set out below:

Particulars	**Revenue from sale of products (exports)**					
	2023		**2022**		**2021**	
	(in ₹ million)	*(in %)*	*(in ₹ million)*	*(in %)*	*(in ₹ million)*	*(in %)*
Sale of products (exports)	1,847.05	19.59	1,345.64	23.31	1,081.71	36.30

For the export of our branded products, primarily "Flair", "Hauser", "Pierre Cardin", "ZOOX" and "Flair Creative", we typically appoint a distributor for a particular brand in each country or region. As of March 31, 2023, we had relationships with 54 international distributors for the distribution and sale of our products abroad. As of March 31, 2023, our products were sold by us and our distributors in 97 countries, whereby we mitigate any concentration risk. We also have a team of sales and marketing employees to aid our exports. We regularly participate in various international trade fairs in order to enhance our presence in the global markets. We are also recognized as a top exporter for our leading position in the export business.

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 products (exports) increased by 37.26% from ₹1,345.64 million in the Financial Year 2022 to ₹1,847.05 million in the Financial Year 2023 due to increase in realisation along with increase in new focus countries.

Competition

We operate in the highly competitive Indian writing and creative instruments industry, which is expected to grow at a CAGR of 7.5-8.5% between Financial Years 2023 and 2028 to reach ₹140-145 billion by Financial Year 2028, 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), Ezee Click (a low-viscosity retractable pen) and Hauser XO Ball Pen (which has a unique design and is available in pastel colours) have helped build brand recognition. In order to enhance our competitive position in the writing and creative instruments sector, we constantly strive to enhance cost efficiencies to provide control over the critical components in the manufacturing process while controlling costs and improving margins.

In the mass-market sub-segment, which comprises writing instruments sold at prices up to ₹15, companies generally find it difficult to increase prices of products targeted at students as any increase in prices (deviation from denomination of multiples of five) may shift demand to some other brand, according to CRISIL. We endeavor to improve our margins from the sales of mass-market pen and stationery products through manufacturing efficiencies and minimizing wastage. Our Gross Material Margin (%) decreased to 46.03% in the Financial Year 2023 from 46.62% in the Financial Year 2022. We achieve better margins in the sale of writing instruments in the mid-premium segment and premium segment, particularly products which are priced between ₹20 and ₹100, such as "Pierre Cardin" and "ZOOX" products, as we believe consumers at that level are more focused on design and quality than marginal increases in price. Higher margins and pricing power in the mid-premium segment and premium segment also incentivize innovation, quality manufacturing and sales and marketing efforts coupled with improving shelf visibility and positioning of our brands with consumers. We also plan to increase production volumes pursuant to higher capacity utilization without a corresponding increase in fixed costs in order to improve our margins. Our ability to maintain and grow our position in the mass-market segment and increase our sales in the mid-premium segment and 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 principal competitors in the pen industry include BIC Cello, Camlin, DOMS, Hindustan Pencils, Linc, Luxor, Reynolds, according to CRISIL. According to CRISIL, our Company is the largest player in the pens segment reporting a revenue of ₹7,541.8 million in the Financial Year 2023 from the pens writing instrument segment in India. 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 March 31, 2023, our Company had the largest distributor/dealer network and wholesale/retailer network, in the writing instruments segment in India, according to CRISIL, comprising approximately 7,700 distributors/dealers and approximately 315,000 wholesalers/retailers. As of March 31, 2023, our Company had 131 super-stockists in India (including our in-house super-stockist for the Mumbai region operated by the Flair Sporty division of our Company), supported by our 900 sales and marketing employees, and a retail presence in 2,387 cities, towns and villages in India. Besides traditional distribution channels, our products are also sold through modern retail outlets, including hypermarkets, supermarkets and e-commerce. As of March 31, 2023, we also had 54 international distributors catering to a specific region or country. Our products were sold by us and our distributors in 97 countries as of March 31, 2023.

We incentivize sales by having brand-wise arrangements for writing and creative instruments 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. Further, we plan to incentivize super-stockists and distributors through periodic and festival sales schemes and revenue targets and product-specific schemes (through discounts and gift hampers). 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 30 days to 60 days).

Our strategy to deepen our sales and distribution network includes expanding 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 across all zones of India with a focus on Eastern and Western zones in India. In addition, 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. We plan to increase our sales through modern retail, 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. 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 11 manufacturing plants in India, including three plants in Valsad, Gujarat ("**Valsad Building-II**", "**Valsad Building-III**" and "**Valsad Building-IV**"), one plant in Naigaon, Maharashtra ("**Naigaon Unit-I**"), five plants in Daman, Union Territory of Dadra and Nagar Haveli and Daman and Diu ("**Daman Unit-II**", "**Daman Unit-III**", "**Daman Unit-IV**", "**Daman Unit-V**" and "**Daman Agrawal Unit**") and two plants in Dehradun, Uttarakhand ("**Dehradun Unit-I**" and "**Dehradun Unit-II**"). While our Company runs manufacturing operations from Valsad Building-II, our Subsidiary, FWEPL, operates Valsad Building-III and our Subsidiary, FCIPL, operates Valsad Building-IV. For details, see "*Our Business—Manufacturing Facilities and Other Properties*" on page 182. With a view to expanding our production capacity, we intend to use a portion of the proceeds from this Offer for funding capital expenditure of our Company to set up a new manufacturing facility and purchase of machinery, moulds, equipment, technology, among other things. For details, see "*Objects of the Offer*" on page 96.

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. Further, we believe that 70% to 80% is the optimum capacity utilisation for our manufacturing facilities due to the wide range of products and the numerous components being used. We start planning for additional capacity once our capacity utilization reaches 72%. 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 seek to integrate technology into our processes at key stages of design, manufacturing and distribution to increase efficiency and ensure optimization and quality in a cost-effective manner. 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.

The following table sets forth the installed capacity of our manufacturing plants (excluding Daman Unit-V which is yet to commence operations as of the date of this Draft Red Herring Prospectus) as of March 31, 2023, March 31, 2022 and March 31, 2021 and the actual production and capacity utilization for the Financial Years 2023, 2022 and 2021, as certified by the Chartered Engineer, pursuant to a certificate dated July 12, 2023:

Manufacturing facility	Annual Installed capacity as of March 31,			Effective Capacity[1] available during the Financial Year			Capacity utilization in Financial Year[2]			Effective Capacity[1] utilization in Financial Year		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
	(in million pieces)			*(in million pieces)*			*(%)*			*(%)*		
Naigaon, Maharashtra												
Naigaon Unit-I	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]	N.A.[3]
Daman, Dadra and Nagar Haveli and Daman and Diu												
Daman Unit-II	366.00	305.00	305.00	366.00	305.00	305.00	83.06	49.39	26.33	83.06	49.39	26.33
Daman Unit-III	179.95	167.75	167.75	179.95	167.75	159.05	77.09	48.69	23.87	77.09	48.69	25.18
Daman Unit-IV	466.65	457.50	457.50	466.65	457.50	457.50	86.14	48.88	33.72	86.14	48.88	33.72
Daman Agrawal Unit	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]	N.A.[5]
Daman Unit-V	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]	N.A.[6]
Dehradun, Uttarakhand												
Dehradun Unit-I	244.00	244.00	244.00	244.00	244.00	244.00	85.79	67.38	28.02	85.79	67.38	28.02
Dehradun Unit-II	190.63	188.49	188.49	190.63	188.49	188.49	86.70	85.14	63.01	86.70	85.14	63.01
Valsad, Gujarat												
Valsad Building-II	370.58	370.58	335.50	370.58	370.58	335.50	46.96	71.02	32.88	46.96	71.02	32.88
Valsad Building-III	205.88	122.00	61.00	160.53	71.17	61.00	39.07[4]	32.51[4]	31.69	50.11[4]	55.73[4]	31.69
Valsad Building-IV	1.44	-	-	0.12	-	-	NIL	-	-	NIL	-	-

[1] Effective capacity means actual available capacity of the machines and moulds for the year which can be put to use. For example, a machine installed in March 2023 will have an annual installed capacity of 100 units while the effective capacity would only be 1/12 x 100 = 8.33 units.
[2] 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.
[3] Not applicable as certain writing instruments and calculators are manually assembled at Naigaon Unit-I.
[4] Given the wide range of colours and different moulds for a vast range of products coupled with several complex components, our Company can only achieve capacity utilization in the range of 70% to 80%.
[5] Not applicable as volume of items manufactured is negligible at Daman Agarwal Unit as of the date of this Draft Red Herring Prospectus.
[6] Not applicable as the unit is not yet operational as of the date of this Draft Red Herring Prospectus.

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 June 30, 2023, (i) our aggregate outstanding indebtedness was ₹1,261.03 million; (ii) secured term loans and working capital facilities constituted ₹545.66 million against sanctioned limits of ₹952.47 million and ₹436.99 million against sanctioned limits of ₹1,433.00 million, respectively; and (iii) unsecured loans from our Directors and other related parties constituted ₹278.38 million against sanctioned amount of ₹1,365 million. For further information, see "*—Indebtedness*" and "*Financial Indebtedness*" on pages 353 and 315, 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 ₹770.00 million from the Net Proceeds to meet working capital requirements of our Company and our Subsidiaries, FCIPL and FWEPL in the Financial Year 2024. For details, see "*Objects of the Offer*" on page 96. We also seek to maintain an optimal relationship between debt and equity in our funding mix. As of March 31, 2023, our Debt to Equity Ratio was 0.26.

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. Details of revenue from operations from sale of products for the periods indicated, are set out below:

Particulars	Revenue from sale of products					
	2023		2022		2021	
	(in ₹ million)	*(in %)*	*(in ₹ million)*	*(in %)*	*(in ₹ million)*	*(in %)*
Sale of products (domestic)	7,478.21	79.33	4,342.05	75.20	1,824.01	61.21
Sale of products (exports)	1,847.05	19.59	1,345.64	23.31	1,081.71	36.30

For details of our key financial performance indicators, see "—*Discussion of our Key Performance Indicators*" on page 324.

According to CRISIL, government measures to improve literacy and the increasing spend on education by the government is likely to increase the demand for writing and creative instruments. The introduction of National Educational Policy, 2020 by government of India focusing on education penetration in the country and the skill development programs by government for MSMEs would further bolster the writing and creative instruments industry, according to CRISIL. In addition, the growing share of young population in India and growth in the Indian MSME sector workforce coupled with increasing literacy level, the shift in consumer trends towards premiumization and people returning to offices post COVID-19 pandemic, is expected to increase the writing instruments and stationery market size, according to CRISIL.

According to CRISIL, between Financial Years 2023 and 2028, the organized players in the writing and creative instruments industry in India are poised to experience significant faster growth when compared to the unorganized players. According to CRISIL, the higher growth rate among organized players is attributed to the increase in market share from the unorganized sector during the COVID-19 pandemic and the expansion of product offerings by organized players across various categories and age groups. According to CRISIL, the key seven organized players in the writing and creative instrument industry in India, including our Company, have grown faster than the rest of the organized players. While COVID-19 (in Financial Year 2020) impacted the overall industry, post pandemic (between Financial Year 2021 to 2023), the key seven organized players played a pivotal role in driving industry growth which is attributable to entering into new price segments in the existing category of products. According to CRISIL, the key seven organized players are expected to continue the growth momentum and grow at a CAGR of 7.7-8.4% between Financial Years 2023 and 2028 which is expected to be driven by factors such as a rise in literacy rates and government initiatives towards education. 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. Any slowdown or perceived slowdown in the Indian economy could adversely affect our business. For instance, the COVID-19 pandemic caused a downturn in India and globally. According to CRISIL, the COVID-19 pandemic resulted in the writing and creative instruments industry witnessing a 39% decline in Financial Year 2021 due to subdued demand for products. Accordingly, any change in such conditions and trends will impact our financial results. Also see, "—*Unusual or Infrequent Events or Transactions—Impact of the COVID-19 pandemic*" on page 356.

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 judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as of 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:

(i) Determination of the estimated useful lives of Property, Plant and Equipment and Intangible Assets:

Property, plant and equipment / intangible assets are depreciated / amortized 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.

(ii) 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.

(iii) 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.

(iv) Recognition and measurement of Defined Benefit Obligations:

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

(v) 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.

(vi) 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 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.

(vii) 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.

(viii) 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.

Property, Plant and Equipment (PPE)

(i) Recognition and measurement:

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.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognized 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.

The carrying amount of any component accounted for as a separate asset is derecognized when it is discarded/scrapped. All other repairs and maintenance costs are charged to profit and loss in the reporting period in which they occur.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under other assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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 Financial Information when the asset is derecognized.

(ii) Depreciation/Amortisation:

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method considering the nature, estimated usage, operating conditions, past history of replacement and anticipated technological changes. Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of property, plant and equipment, which are different from those prescribed in schedule II of the Act.

The useful life of major assets is as under:

Assets	Useful life (in years)
Freehold building	30
Furniture and fixtures	10
Electrical installation	10
Office equipment	5
Plant and machinery	15
Factory equipment	5
Motor vehicles	8
Two wheelers	10

Assets	Useful life (in years)
Mould	8
Computer equipment	3

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end with the effect of any changes in the estimate accounted for on a prospective basis.

(iii) 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 capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortisation of intangible assets is calculated over the management's estimated useful lives as mentioned below:

Assets	Amortized (in years)
Trademarks	10
Web designing	10

Amortization methods and useful lives are reviewed periodically including at each financial year end. Software not exceeding ₹25,000 is charged off to the statement of profit and loss.

(iv) 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.

(v) Impairment of Non-Financial Assets

The group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and group of assets, called 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 recognized in the Restated Consolidated Financial Information 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. The 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 recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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.

(i) Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either though other comprehensive income, or through profit and loss), and
- those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

For investments in debt instruments, this will depend on business model in which the investment is held.

For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(b) Initial Recognition

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(c) Measurement

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

- *Cash and Cash Equivalents:*

The group's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks (three months or less from the date of acquisition). For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks (three months or less from the date of acquisition), net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

- *Financial assets carried at Amortized Cost:*

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows 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 amount outstanding.

- *Financial assets at Fair Value Through Other Comprehensive Income (FVOCI):*

A financial asset is subsequently measured at fair value through other comprehensive income 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 amount outstanding.

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

- *Financial assets at Fair Value Through Profit or Loss (FVTPL):*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(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.

ECL are measured through a loss allowance at an amount equal to:

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

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

Trade Receivables:

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

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

Other financial assets mainly consists of loans to employees, security deposit, other deposits, interest accrued on fixed deposits, other receivables and advances measured at amortized cost.

Following is the policy for specific financial assets:

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

(e) Derecognition of financial assets:

The Company derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to extent of continuing involvement in the financial asset.

(ii) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(b) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

Borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

(c) De-recognition of Financial Instruments

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative financial instruments and hedge accounting

The group is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency. The group limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The group enters into derivative financial instruments where the counterparty is primarily a bank.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, financial instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Inventories

Inventories include raw materials and stores, semi-finished goods, finished goods, stock-in-trade, packing materials, and stores and spares.

Inventories are stated at the lower of cost and net realizable value.

Cost of raw materials and stores comprises cost of purchases. Cost of purchase is determined after deducting rebates and discounts.

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 realizable value.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. The fixed overhead expenditure is allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first out basis.

Net realizable 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.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

Cost of traded goods comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Restated Consolidated Financial Information. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Revenue Recognition

The group manufactures/ trades and sells writing instruments and it's allied. Revenue from contracts with customers involving sale of these goods is recognized at a point in time when control of the goods has been transferred, and there are no unfulfilled obligations that could affect the customer's acceptance of the goods. Delivery occurs when the goods are shipped to specific location and control has been transferred to the customers. The group has objective evidence that all criteria for acceptance have been satisfied.

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow.

Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(i) Sale of Products

Revenue from the sale of products 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 products is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume discounts and other applicable discounts.

(ii) Export Entitlements

Export entitlements such as duty drawback, credit under MEIS, RODTEP, EPCG license etc. are recognized 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.

(iii) Other Income

Interest income is recognized on time proportionate basis taking into account amount outstanding and rate of interest. Interest income is included in other income in the Restated Consolidated Financial Information.

Employee Benefits Expense

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

(i) 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.

(ii) Post-Employment Obligations

(a) 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 Financial Information during the period in which the employee renders the related service.

(b) 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.

(iii) Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed 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 of the year end.

(iv) 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.

Leases

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The group's lease asset classes primarily comprise of lease for land and building. The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The group recognizes right-of-use assets at the commencement date of the lease (*i.e.*, the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of respective leases.

If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The group has elected not to apply the requirements of Ind AS 116 leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

- Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income. 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.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the Restated Consolidated Financial Information.

EPS

(i) Basic EPS

Basic EPS 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.

(ii) Diluted EPS

Diluted EPS 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.

Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Flow Statement

Cash flows are reported using the indirect method whereby 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.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Restated Consolidated Financial Information are measured using the currency of the primary economic environment in which the company operates (that is 'functional currency'). The financial statements are presented in INR which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognized in the statement of profit and loss.

Provisions and Contingent Liabilities

(i) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are determined at present value based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

(ii) Contingent Liabilities

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 recognized but disclosed in the Restated Consolidated Financial Information where an inflow of economic benefit is probable.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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 recognized 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties, unquoted financial assets etc., if needed. Involvement of independent external 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 Financial Information 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.

Recent Accounting Pronouncements

The MCA notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- ***Ind AS 1 - Presentation of Financial Statements:***

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The group has evaluated the amendment and the impact of the amendment is insignificant in the group's financial statements.

- ***Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:***

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The group has evaluated the amendment and there is no impact on its consolidated financial statements.

- ***Ind AS 12 - Income Taxes:***

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The group has evaluated the amendment and there is no impact on its consolidated financial statements.

Principal Components of Income and Expenditure

Our Income

Our total income consists of revenue from operations and other income.

Revenue from Operations

The components of our revenue from operations are: (i) operating income, which consists substantially of sale of products manufactured and traded from our domestic business and our exports, (ii) sale of services, and (iii) other operating income, which consists of sales of scrap, sale of fixed assets (trading) and export incentives.

Set forth below is a breakdown of our revenue from contracts with customers, for the periods indicated.

Revenue from operations	**Financial Year 2023**		**Financial Year 2022**		**Financial Year 2021**	
	Percentage of total	**Amount**	**Percentage of total**	**Amount**	**Percentage of total**	**Amount**
	(in %)	*(in ₹ million)*	*(in %)*	*(in ₹ million)*	*(in %)*	*(in ₹ million)*
Sale of products						
Manufactured (domestic)	74.94	7,064.08	71.19	4,110.57	57.48	1,712.97
Manufactured (export)	19.45	1,833.42	23.25	1,342.54	36.30	1,081.71
Traded (domestic)	4.39	414.13	4.01	231.48	3.73	111.04
Traded (export)	0.14	13.63	0.05	3.10	0.00	-
Sale of services	0.01	0.62	0.02	1.03	0.02	0.71
Other operating revenue						
Sale of scrap	0.22	21.04	0.28	16.15	0.41	12.21
Miscellaneous sale	-	-	0.15	8.84	0.00	-
Export incentives	0.85	79.69	1.04	60.27	2.05	61.23
Total	100.00	9,426.60	100.00	5,773.98	100.00	2,979.88

Other Income

The key components of our other income are (i) interest income on bank interest, other interest income, and interest received on income tax refund, and (ii) other non-operating revenue which consist of the (a) government grant income; (b) gain on sale of property, plant and equipment (net); (c) gain on foreign currency transactions (net); (d) tooling amortisation income; (e) labour incentive; (f) development income; (g) profit/(loss) on sale of investments (net); (h) premium/(discount) on forward contract; (i) reimbursement towards special discount; and (j) other non-operating income.

Set forth below is a breakdown of our other income, for the Financial Years indicated.

Other income	**Financial Year 2023**		**Financial Year 2022**		**Financial Year 2021**	
	Percentage of total	**Amount**	**Percentage of total**	**Amount**	**Percentage of total**	**Amount**
	(in %)	*(in ₹ million)*	*(in %)*	*(in ₹ million)*	*(in %)*	*(in ₹ million)*
Interest income						
Bank interest	0.82	0.95	0.06	0.06	0.05	0.06
Interest income (others)	4.01	4.66	6.99	7.16	21.91	28.23
Interest received on income tax refund	0.02	0.02	0.19	0.19	0.17	0.22
Other non-operating revenue						
Government grant income	0.68	0.79	5.11	5.23	0.56	0.72
Gain on sale of property, plant and equipment (net)	-	-	0.48	0.49	16.99	21.89
Gain on foreign currency transactions (net)	73.97	86.03	48.98	50.17	3.99	5.14
Tooling amortisation income	8.88	10.33	20.28	20.77	7.16	9.23
Labour incentive	11.39	13.25	11.27	11.54	18.83	24.26
Development income	0.10	0.12	1.05	1.08	12.03	15.50
Profit/(loss) on sale of investments (net)	-	-	3.01	3.08	0.44	0.56
Premium/(discount) on forward contract	-	-	1.84	1.89	6.17	7.95
Reimbursement towards special discount; and	-	-	-	-	9.98	12.86
Other non-operating income	0.13	0.16	0.74	0.76	1.72	2.21
Total	100.00	116.31	100.00	102.43	100.00	128.85

Our Expenses

Our expenses comprise: (i) cost of raw materials and components consumed; (ii) purchase of stock-in-trade; (iii) changes in inventory of finished goods, work-in-progress and stock-in-trade; (iv) employee benefits expenses; (v) finance costs; (vi) depreciation and amortization expenses; and (vii) other expenses.

Set out below is a breakdown of our total expenses, for the Financial Years indicated:

Other income	**Financial Year 2023**		**Financial Year 2022**		**Financial Year 2021**	
	Percentage of total	**Amount**	**Percentage of total**	**Amount**	**Percentage of total**	**Amount**
	(in %)	*(in ₹ million)*	*(in %)*	*(in ₹ million)*	*(in %)*	*(in ₹ million)*
Cost of raw material and component consumed	63.88	5,081.51	64.88	3,336.25	47.32	1,461.04
Purchase of stock-in trade	0.77	61.65	0.92	47.24	1.54	47.59
Changes in inventories of finished goods, work-in-progress	(0.70)	(55.47)	(5.86)	(301.55)	5.04	155.61
Employees benefits expense	14.75	1,173.36	17.08	878.01	18.91	583.88
Finance costs	1.13	90.04	1.94	99.97	3.66	113.10
Depreciation and amortisation expense	3.44	273.41	4.74	243.66	7.27	224.34
Other expenses	16.72	1,330.42	16.30	838.35	16.25	501.79
Total	100.00	**7,954.93**	100.00	**5,141.93**	100.00	**3,087.36**

Cost of raw material and component consumed

Cost of raw materials and components consumed 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

Purchase of stock-in-trade primarily consists of pens and stationery and household products.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventory of finished goods, work-in-progress and stock-in-trade is the difference between our opening stock and closing stock of inventory during a Financial Year.

Employees benefits expense

Employee benefits expenses primarily consist of salaries, wages and bonus and as well as contributions to provident and other funds and staff welfare expenses.

Finance costs

Finance costs primarily consist of (i) interest expense on loans from banks, (ii) interest expense on other loans, (iii) interest expense on right of use assets, and (iv) interest expense on delayed payment of income taxes.

Depreciation and amortisation expense

Depreciation and amortization expenses are primarily on our buildings, plant and machinery, moulds, offices and factory equipment, furniture and fixtures, electrical installations, computers, vehicles.

Other expenses

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

The following table sets forth certain information with respect to our results of operations for the Financial Years 2023, 2022 and 2021, the components of which are also expressed as a percentage of total income for such Financial Years.

	Financial Year 2023		Financial Year 2022		Financial Year 2021	
	(in ₹ million)	*% of total income*	*(in ₹ million)*	*% of total income*	*(in ₹ million)*	*% of total income*
Income						
Revenue from operations	9,426.60	98.78	5,773.98	98.26	2,979.88	95.86
Other income	116.31	1.22	102.43	1.74	128.85	4.14
Total income	9,542.91	100.00	5,876.42	100.00	3,108.73	100.00
Expenses						
Cost of raw material and component consumed	5,081.51	53.25	3,336.25	56.77	1,461.04	47.00
Purchase of stock-in trade	61.65	0.65	47.24	0.80	47.59	1.53
Changes in inventories of finished goods, work-in-progress	(55.47)	(0.58)	(301.55)	(5.13)	155.61	5.01
Employees benefits expense	1,173.36	12.30	878.01	14.94	583.88	18.78
Finance costs	90.04	0.94	99.97	1.70	113.10	3.64
Depreciation and amortisation expense	273.41	2.87	243.66	4.15	224.34	7.22
Other expenses	1,330.42	13.94	838.35	14.27	501.79	16.14
Total expenses	**7,954.93**	**83.36**	**5,141.93**	**87.50**	**3,087.36**	**99.31**
Restated profit before tax	**1,587.99**	**16.64**	**734.48**	**12.50**	**21.37**	**0.69**
Tax expense						
Current tax	404.98	4.24	190.90	3.25	2.30	0.07
Deferred tax	2.01	0.02	(7.93)	(0.13)	9.18	0.30
Tax adjustment for earlier years						
Total tax expenses	**406.99**	**4.26**	**182.97**	**3.11**	**11.48**	**0.37**
Restated profit for the year	**1,181.00**	**12.38**	**551.51**	**9.39**	**9.89**	**0.32**

Financial Year 2023 compared to Financial Year 2022

Total Income

Our total income increased by 62.39% to ₹9,542.91 million in the Financial Year 2023 from ₹5,876.42 million in the Financial Year 2022. This increase in total income was primarily due to increase in our revenue from operations.

- *Revenue from Operations*

  Our revenue from operations increased by 63.26% to ₹9,426.60 million in the Financial Year 2023 from ₹5,773.98 million in the Financial Year 2022. This increase was primarily due to increased sales on resumption to normal working post Covid-19 pandemic along with higher realisation.

  Our sale of products (manufactured - domestic) increased by 71.85% to ₹7,064.08 million in the Financial Year 2023 from ₹4,110.57 million in the Financial Year 2022 due to an increase in domestic sales of products. Our sale of products (manufactured - export) increased by 36.56% to ₹1,833.42 million in the Financial Year 2023 from ₹1,342.54 million in the Financial Year 2022 due to increased sales on resumption to normal working post the Covid-19 pandemic along with higher realisation. Our sale of products (traded - domestic) increased by 78.90% to ₹414.13 million in the Financial Year 2023 from ₹231.48 million in the Financial Year 2022 due to increased sales on resumption to normal working post the Covid-19 pandemic along with higher realisation. Our sale of products (traded - export) increased by 339.68% to ₹13.63 million in the Financial Year 2023 from ₹3.10 million in the Financial Year 2022 due to increased sales on resumption to normal working post Covid-19 pandemic along with higher realisation.

- *Other Income*

  Our other income increased by 13.55% to ₹116.31 million in the Financial Year 2023 from ₹102.43 million in the Financial Year 2022. This increase was primarily due to increase in net gain on foreign currency transactions and labour incentive.

Total Expenses

Our total expenses increased by 54.71% to ₹7,954.93 million in the Financial Year 2023 from ₹5,141.93 million in the Financial Year 2022. This increase was primarily due to an increase in overall cost of materials consumed arising from an increase in revenue from operations, finance costs, employee benefits expenses arising from an increase in the number of employees and other expenses. As a percentage of our total income, our total expenses decreased to 83.36% in the Financial Year 2023 from 87.50% in the Financial Year 2022.

- *Cost of raw materials and components consumed*

  Our cost of materials consumed increased by 52.31% to ₹5,081.51 million in the Financial Year 2023 from ₹3,336.25 million in the Financial Year 2022. This increase was primarily due to an increase in raw material costs and an increase in the scale of our operations.

- *Purchase of stock-in trade*

  Our purchase of stock-in-trade increased by 30.50% to ₹61.65 million in the Financial Year 2023 from ₹47.24 million in the Financial Year 2022. This increase was primarily due to increase in sales of traded goods.

- *Changes in inventory of finished goods, work-in-progress and stock-in-trade*

  Our changes in inventory of finished goods, work-in-progress and stock-in-trade decreased by 81.61% to ₹55.47 million in the Financial Year 2023 from ₹301.55 million in the Financial Year 2022. This decrease was primarily due to changes in semi-finished goods, finished goods and stock-in-trade during the Financial Year and lower inventory at the beginning of the Financial Year 2023 as compared to Financial Year 2022.

- *Employee benefits expense*

  Our employee benefits expenses increased by 33.64% to ₹1,173.36 million in the Financial Year 2023 from ₹878.01 million in the Financial Year 2022. This increase was primarily due to an increase in our number of employees in the Financial Year 2023 and due to an increase in the overall employee costs arising from annual increments and incremental minimum wages.

- *Finance costs*

  Our finance costs decreased by 9.93% to ₹90.04 million in the Financial Year 2023 from ₹99.97 million in the Financial Year 2022. This decrease was primarily due to reduction in interest rates and reduction in overall borrowings.

- *Depreciation and Amortization Expenses*

  Our depreciation and amortization expenses increased by 12.21% to ₹273.41 million in the Financial Year 2023 from ₹243.66 million in the Financial Year 2022. This increase was primarily due to higher capital expenditure arising from the procurement of new and upgraded machinery for our manufacturing plants, particularly the plant at District Valsad, Gujarat.

- *Other Expenses*

  Our other expenses increased by 58.70% to ₹1,330.42 million in the Financial Year 2023 from ₹838.35 million in the Financial Year 2022. This increase was primarily due to an increase in the scale of our operations. However, as a percentage of revenue from operations, our other expenses declined to 14.11% in the Financial Year 2023 from 14.52% in the Financial Year 2022 due to lower advertisement and marketing expenditure.

Profit before Tax

As a result of the factors discussed above, our profit before tax increased by 116.20% to ₹1,587.99 million in the

Financial Year 2023 from ₹734.48 million in the Financial Year 2022. As a percentage of our total income, our profit before tax increased to 16.64% in the Financial Year 2023 from 12.50% in the Financial Year 2022.

Tax Expenses

We recorded a current tax of ₹404.98 million in the Financial Year 2023 compared to ₹190.90 million in the Financial Year 2022. We also recorded deferred tax of ₹2.01 million in the Financial Year 2023 compared to ₹(7.93) million in the Financial Year 2022. Accordingly, our total tax expenses increased by 122.44% to ₹406.99 million in the Financial Year 2023 from ₹182.97 million in the Financial Year 2022.

Profit after Tax

Our profit after tax increased by 114.14% to ₹1,181.00 million in the Financial Year 2023 from ₹551.51 million in the Financial Year 2022.

Total Comprehensive Income for the Year

Our total comprehensive income increased by 113.17% to ₹1,179.39 million in the Financial Year 2023 from ₹553.27 million in the Financial Year 2022.

Financial Year 2022 compared to Financial Year 2021

Our total income increased by 89.03% to ₹5,876.42 million in the Financial Year 2022 from ₹3,108.73 million in the Financial Year 2021. This increase in total income was primarily due to increase in our revenue from operations.

- *Revenue from Operations*

  Our revenue from operations increased by 93.77% to ₹5,773.98 million in the Financial Year 2022 from ₹2,979.88 million in the Financial Year 2021. This increase was primarily due to opening of domestic and exports market after closure due to the COVID-19 pandemic.

  Our sale of products (manufactured - domestic) increased by 139.97% to ₹4,110.57 million in the Financial Year 2022 from ₹1,712.97 million in the Financial Year 2021 due to an increase in domestic sales of products. Our sale of products (manufactured - export) increased by 24.11% to ₹1,342.54 million in the Financial Year 2022 from ₹1,081.71 million in the Financial Year 2021 due to increase in sales due to opening of exports market after closure due to the COVID-19 pandemic. Our sale of products (traded - domestic) increased by 108.47% to ₹231.48 million in the Financial Year 2022 from ₹111.04 million in the Financial Year 2022 due to introduction of new traded products. Our sale of products (traded - export) was 3.10 million in the Financial Year 2022 and nil in Financial Year 2021 since introduction of new traded products.

- *Other Income*

  Our other income decreased by 20.50% to ₹102.43 million in the Financial Year 2022 from ₹128.85 million in the Financial Year 2021. This decrease was primarily due to reduction in interest income on surplus funds, lower gain on sale of plant, property and equipment and non-receipt of reimbursement towards special discount.

Total Expenses

Our total expenses increased by 66.55% to ₹5,141.93 million in the Financial Year 2022 from ₹3,087.36million in the Financial Year 2021. This increase was primarily due to an increase in overall cost of materials consumed arising from an increase in revenue from operations, finance costs and employee benefits expenses arising from an increase in the number of employees and other expenses. As a percentage of our total income, our total expenses decreased to 87.50% in the Financial Year 2022 from 99.31% in the Financial Year 2021.

- *Cost of raw materials and components consumed*

  Our cost of materials consumed increased by 128.35% to ₹3,336.25 million in the Financial Year 2022 from

₹1,461.04 million in the Financial Year 2021. This increase was primarily due to an increase in raw material costs and an increase in the scale of our operations.

- *Purchase of stock-in trade*

  Our purchase of stock-in-trade decreased slightly by 0.74% to ₹47.24 million in the Financial Year 2022 from ₹47.59 million in the Financial Year 2021. This decrease was primarily due to a slight decrease in purchase of traded goods.

- *Changes in inventory of finished goods, work-in-progress and stock-in-trade*

  Our changes in inventory of finished goods, work-in-progress and stock-in-trade decreased by 293.79% to ₹(301.55) million in the Financial Year 2022 from ₹155.61 million in the Financial Year 2021. This decrease was primarily due to changes in semi-finished goods, finished goods and stock-in-trade during the relevant Financial Year and lower inventory at the beginning of the Financial Year 2022 as compared to Financial Year 2021.

- *Employee benefits expense*

  Our employee benefits expenses increased by 50.38% to ₹878.01 million in the Financial Year 2022 from ₹583.88 million in the Financial Year 2021. This increase was primarily due to an increase in our number of employees in the Financial Year 2022 and due to an increase in the overall employee costs arising from annual increments and incremental minimum wages.

- *Finance costs*

  Our finance costs decreased by 11.61% to ₹99.97 million in the Financial Year 2022 from ₹113.10 million in the Financial Year 2021. This decrease was primarily due to reduction in net borrowings and the interest cost on the loans taken.

- *Depreciation and Amortization Expenses*

  Our depreciation and amortization expenses increased by 8.61% to ₹243.66 million in the Financial Year 2022 from ₹224.34 million in the Financial Year 2021. This increase was primarily due to higher capital expenditure arising from the procurement of new and upgraded machinery for our manufacturing plants.

- *Other Expenses*

  Our other expenses increased by 67.07% to ₹838.35 million in the Financial Year 2022 from ₹501.79 million in the Financial Year 2021. This increase was primarily due to an increase in the scale of our operations. However, as a percentage of revenue from operations, our other expenses declined to 14.52% in the Financial Year 2022 from 16.84% in the Financial Year 2021 due to an increase in our revenue at a higher pace as compared to the increase in our expenses.

Profit before Tax

As a result of the factors discussed above, our profit before tax increased by 3,336.97% to ₹734.48 million in the Financial Year 2022 from ₹21.37 million in the Financial Year 2021. As a percentage of our total income, our profit before tax increased to 12.50% in the Financial Year 2022 from 0.69% in the Financial Year 2021.

Tax Expenses

We recorded a current tax of ₹190.90 million in the Financial Year 2022 compared to ₹2.30 million in the Financial Year 2021. We also recorded deferred tax of ₹(7.93) million in the Financial Year 2022 compared to ₹9.18 million in the Financial Year 2022. Accordingly, our total tax expenses increased by 1,493.82% to ₹182.97 million in the Financial Year 2022 from ₹11.48 million in the Financial Year 2021. This was primarily due to increased tax liability based on an increase in our profit before tax.

Profit after Tax

Our profit after tax increased by 5,476.44% to ₹551.51 million in the Financial Year 2022 from ₹9.89 million in the Financial Year 2021.

Total Comprehensive Income for the Year

Our total comprehensive income increased by 4,576.84% to ₹553.27 million in the Financial Year 2022 from ₹11.83 million in the Financial Year 2021.

Liquidity and Capital Resources

Historically, our primary liquidity and capital requirements have been to fund our working capital, capital expenditure for business operations and enhancing our manufacturing capabilities. We have met these requirements through cash flows from operating activities and borrowings from banks and financial institutions.

As of March 31, 2023, we had ₹7.89 million in cash and cash equivalents, ₹1,706.72 million in trade receivables, ₹0.05 million in bank balances (excluding cash and cash equivalents) and ₹8.42 million in other financial assets.

Cash in the form of cash on hand, current accounts at banks and other balances held with banks in foreign currency accounts together represent our cash and cash equivalents.

We believe that after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Offer, we will have sufficient liquidity for our present and anticipated requirements for capital expenditure and working capital for at least the next 12 months.

Cash Flows

The table below summarises the statement of cash flows, as derived from our restated cash flow statements, for the Financial Years indicated.

	Financial Year 2023	**Financial Year 2022**	**Financial Year 2021**
	(in ₹ million)		
Net cash generated from operating activities (A)	964.38	350.43	603.94
Net cash flow used in investing activities (B)	(735.94)	(194.97)	(157.82)
Net cash flow used in financing activities (C)	(223.33)	(158.83)	(475.28)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**5.11**	**(3.38)**	**(29.16)**

Net cash generated from operating activities

Net cash generated from operating activities in Financial Year 2023 was ₹964.38 million. While our restated profit before tax was ₹1,587.99 million, we had an operating profit before working capital changes of ₹1,951.13 million, primarily due to adjustments for (i) depreciation and amortization expense of ₹273.41 million; (ii) profit/loss on sales of property, plant and equipment of ₹0.04 million; (iii) provision for doubtful debts of ₹10.33 million, (iv) interest and other finance cost of ₹81.63 million, and (v) interest on leased assets of ₹3.36 million, which were partially offset by an interest income of ₹5.63 million. Our working capital adjustments for Financial Year 2023 primarily consisted of (i) an increase in inventories of ₹294.66 million; (ii) an increase in trade receivables of ₹247.35 million; (iii) an increase in loans of ₹0.99 million; (iv) an increase in other financial assets of ₹38.84 million; (v) an increase in other assets of ₹153.60 million; (v) a decrease in trade payables of ₹132.74 million; (vi) a decrease in other financial liabilities of ₹2.54 million; (vii) an increase in provisions of ₹21.74 million, and (viii) an increase in other liabilities of ₹30.33 million. Our cash generated from operations was ₹1,397.96 million, adjusted by the payment of taxes of ₹433.58 million.

Net cash generated from operating activities in Financial Year 2022 was ₹350.43 million. While our restated profit before tax was ₹734.48 million, we had an operating profit before working capital changes of ₹1,060.67 million, primarily due to adjustments for (i) depreciation and amortization expense of ₹243.66 million; (ii) loss on sales of property, plant and equipment of ₹0.49 million; (iii) provision for doubtful debts of ₹1.93 million, (iv) interest and other finance cost of ₹86.30 million, and (v) interest on leased assets of ₹5.29 million, which were partially offset by an interest income of ₹7.42 million and gain on sales of liquid fund of ₹3.08 million. Our working capital adjustments for Financial Year 2022 primarily consisted of (i) an increase in inventories of ₹529.10 million; (ii) an increase in trade receivables of ₹313.23 million; (iii) an increase in loans of ₹0.37 million; (iv) an increase in other financial assets of ₹3.26 million; (v) a decrease in other assets of ₹31.52 million; (v) an increase in trade payables of ₹92.04 million; (vi) an increase in other financial liabilities of ₹37.42 million; (vii) an increase in provisions of ₹17.94 million, and (viii) an increase in other liabilities of ₹64.34 million. Our cash generated from operations was ₹457.97 million, adjusted by the payment of taxes of ₹107.54 million.

Net cash generated from operating activities in Financial Year 2021 was ₹603.94 million. While our restated profit before tax was ₹21.37 million, we had an operating profit before working capital changes of ₹307.85 million, primarily due to adjustments for (i) depreciation and amortization expense of ₹224.34 million; (ii) loss on sales of property, plant and equipment of ₹21.89 million; (iii) interest and other finance cost of ₹105.48 million, and (iv) interest on leased assets of ₹7.62 million, which were partially offset by an interest income of ₹28.51 million and gain on sales of liquid fund of ₹0.56 million. Our working capital adjustments for Financial Year 2021 primarily consisted of (i) a decrease in inventories of ₹187.93 million; (ii) a decrease in trade receivables of ₹626.39 million; (iii) a decrease in loans of ₹0.80 million; (iv) an increase in other financial assets of ₹1.35 million; (v) an increase in other assets of ₹24.36 million; (v) a decrease in trade payables of ₹321.48 million; (vi) a decrease in other financial liabilities of ₹117.56 million; (vii) an increase in provisions of ₹12.89 million, and (viii) a decrease in other liabilities of ₹64.78 million. Our cash generated from operations was ₹606.34 million, adjusted by the payment of taxes of ₹2.39 million.

Net cash flows used in investing activities

Net cash used in investing activities in Financial Year 2023 was ₹735.94 million, which primarily consisted of purchase of property, plant and equipment and intangible assets worth ₹744.75 million, partially offset by interest received amounting to ₹5.63 million and proceeds received from sale of property, plant and equipment amounting to ₹3.18 million.

Net cash used in investing activities in Financial Year 2022 was ₹194.97 million, which primarily consisted of purchase of property, plant and equipment and intangible assets worth ₹392.43 million, partially offset by proceeds from sale of investment in mutual funds amounting to ₹165.75 million, interest received amounting to ₹7.42 million and proceeds received from sale of property, plant and equipment amounting to ₹24.28 million.

Net cash used in investing activities in Financial Year 2021 was ₹157.82 million, which primarily consisted of purchase of property, plant and equipment and intangible assets worth ₹103.68 million and purchase of investment in mutual funds amounting to ₹135.11 million, partially offset by interest received amounting to ₹28.51 million and proceeds received from sale of property, plant and equipment amounting to ₹52.46 million.

Net cash used in financing activities

Net cash used in financing activities in Financial Year 2023 was ₹223.33 million, which primarily consisted of repayment of loan of ₹107.40 million, payment of principal portion of lease liabilities of ₹34.30 million and interest paid amounting to ₹81.63 million.

Net cash used in financing activities in Financial Year 2022 was ₹158.83 million, which primarily consisted of repayment of loan of ₹39.80 million, payment of principal portion of lease liabilities of ₹32.73million and interest paid amounting to ₹86.30 million.

Net cash used in financing activities in Financial Year 2021 was ₹475.28 million, which primarily consisted of repayment of loan of ₹337.68 million, payment of principal portion of lease liabilities of ₹32.12 million and interest paid amounting to ₹105.48 million.

Indebtedness

As of March 31, 2023, we had current borrowings of ₹737.91 million and non-current borrowings of ₹418.01 million, primarily attributable to term loans, vehicles loans, packing credit facilities and cash credit facilities. Some of our financing agreements also include conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering certain transactions. For further information on our agreements governing our outstanding indebtedness, see "*Financial Indebtedness*" on page 315.

Capital Expenditure

Our historical capital expenditure was 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. In Financial Years 2023, 2022 and 2021, our capital expenditure for property, plant and equipment was ₹745.21 million, ₹373.57 million and ₹113.57 million, respectively.

Planned Capital Expenditures

We propose to utilize ₹1,185.45 million for setting up a new manufacturing facility for writing instruments in District Valsad, Gujarat (of which ₹956.22 million will be funded from the Net Proceeds and the cost of the land aggregating to ₹229.23 will be funded by our Company's internal accruals); and ₹867.48 million for funding capital expenditure of our Company and our Subsidiary, FWEPL, by setting up new manufacturing lines for tip manufacturing at our units at Daman and procure certain moulds and machinery for our unit at Valsad to expand our existing production capacity, respectively. For further information relating to our planned capital expenditure to be financed from the Net Proceeds, see "*Objects of the Offer—Details of the Objects—Setting up the New Valsad Unit*" and "*Objects of the Offer—Details of the Objects—Funding capital expenditure of our Company and our Subsidiary, FWEPL*" on pages 98 and 103, respectively.

Contractual Obligations

The table below sets forth our contractual obligations with definitive payment terms as of March 31, 2023. These obligations primarily relate to our borrowings, lease liabilities and trade payables.

	As of March 31, 2023					
	0-6 months	**6-12 months**	**1-3 years**	**3-5 years**	**Above 5 years**	**Total**
	(in ₹ million)					
Financial liabilities						
Borrowings	712.81	25.09	59.79	25.42	332.80	1,155.92
Lease liabilities	0.29	0.30	1.40	1.75	74.60	78.34
Trade payables	635.66	-	-	-	-	635.66
Other financial liabilities	202.41	-	2.60	-	-	205.01
Derivative liabilities	1.84	-	-	-	-	1.84
Total	1,553.01	25.40	63.78	27.17	407.40	2,076.77

Contingent Liabilities

Set forth below is a table from our Restated Consolidated Financial Information showing our contingent liabilities as of March 31, 2021, March 31, 2022 and March 31, 2023.

	As of March 31		
	2023	**2022**	**2021**
	(in ₹ million)		
Disputed excise, service tax and GST matters	58.85	5.55	2.54
Income tax matters	46.87	30.69	21.77

Note: *Non-quantifiable contingent liabilities: there are certain on-going legal proceedings against our Company under the provisions of the Goods and Services Tax Act, 2017, Customs Act, 1962, Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Legal Metrology Act, 2009. These matters are at various stages of proceedings and the extent of claims or damages is indeterminate at this stage. The Company is contesting these cases and based on views of external legal counsels and advisors representing our Company, we believe that there will be no future liability which would devolve over the Company in any of these matters. The Company has also filed writ petition before the High Court of Gujarat for matters pertaining to GST.*

Our Company has also filed certain cases under section 138 of the Negotiable Instruments Act, 1881. Our Company is pursuing these cases and has made adequate provisions for doubtful debts in respect of such cases, wherever considered necessary.

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

We usually fulfil the obligation in subsequent years in the ordinary course of business and hence no provision for any contingent liability, which would have arisen on non-completion of export obligations have been made.

Selected Restated Statement of Assets and Liabilities

The following table shows selected financial data derived from our restated summary statement of assets and liabilities as of the dates indicated.

	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
	(in ₹ million)		
Total non-current assets (A)	2,735.54	2,052.34	1,942.82
Total current assets (B)	4,106.28	3,522.60	2,863.82
Total assets (A+B=C)	**6,841.83**	**5,574.93**	**4,806.64**
Total equity (D)	4,352.29	3,169.79	2,616.02
Total liabilities (E)	2,489.54	2,405.14	2,190.62
Total equity and liabilities (D+E = F)	**6,841.83**	**5,574.93**	**4,806.64**

Related Party Transactions

Our related party transactions include sale and purchase of goods, sale and purchase of fixed assets, sale and purchase of license, lease/license of properties, borrowings and interest, payment of remuneration, labour and moulding charges, advertisement and sales promotion expenses and reimbursement of expenses incurred in the ordinary course of business**.** For details, see "*Financial Information*" on page 234.

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

Credit risk is the risk that a customer or counterparty will not meet its obligation under a financial instrument, leading to financial loss. The credit risk arises principally from our operating activities (primarily trade receivables) and are influenced mainly by individual characteristics of each customer.

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. For further information, see note 34(i) to our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

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. Under this credit policy, each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Further for credit monitoring, the Company segments its customers into super-stockiest/ distributors and others. 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 ₹1,706.72 million, ₹1,469.70 million and ₹1,158.40 million, as of March 31, 2023, March 31, 2022 and March 31, 2021, respectively, and our doubtful debts as a percentage of our gross receivables were 0.61%, 0.13% and nil as of March 31, 2023, March 31, 2022 and March 31, 2021, 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 44.

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, 2023, our current ratio and liquid ratio were 2.23 times and

1.11 times, respectively.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates. As of March 31, 2023, ₹1,155.92 million of our total borrowings were subject to variable rate borrowings.

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, 2023, our unhedged net foreign currency exposure was ₹394.02 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. We also have a risk management strategy regarding commodity price risk and its mitigation.

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". For details of the risks applicable to us, see "*Risk Factors*" on page 29.

Impact of the COVID-19 pandemic

In the first half of calendar year 2020, COVID-19 pandemic spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. The impact of the pandemic on our business, operations and future financial performance included and may in future include, among other things, temporary closure of our and customers' offices and facilities. For further details, see "*—Principal Factors Affecting our Financial Condition and Results of Operations—Industry trends and macro-economic conditions*" on page 332.

Due to the lockdowns and restrictions introduced in response to the first wave of the COVID-19 pandemic, our manufacturing facilities were shut down for 14 days and were operational intermittently for two months. Our offices were closed for a month and became functional gradually only after such restrictions were relaxed by the local governments. As a result of the lockdowns and restrictions, our revenue from operations and result of operations were subject to volatility and fluctuation, primarily due to temporary disruptions faced by our suppliers, super-stockists and distributors. Our financial information for the Financial Year 2021 may not be comparable with that for the Financial Year 2022 because of the severe impact of COVID-19 on our business in Financial Year 2021 and consequently, our revenue from operations and result of operations. During this period, our operating efficiency reduced resulting in increase in Working Capital Cycle (Days) and we experienced delays in payment from customers resulting in longer periods for trade receivable and consequently trade payables and also experienced a decrease in our EBITDA Margin. Upon resumption of activities in India and the gradual opening up of the global economy after the second wave of the COVID-19 pandemic, we saw recovery of the demand for our products to pre-COVID-19 levels as offices and educational institutions were operational again. The outbreak of another pandemic or epidemic in India could adversely affect the Indian economy, the logistics industry and, consequently, our business. For details, see "*Risk Factors—Our business and operations had been adversely impacted by the COVID-19 pandemic and the future impact on our business, operations and financial performance is uncertain and could continue for an unknown period of time*" on page 32.

We have evaluated the possible effects that may result from the COVID-19 pandemic on the carrying amounts of our assets and liabilities and its internal financial controls. We have considered internal and external sources of information as of the date of approval of our Restated Consolidated Financial Information in determining the possible impact, if any, of the resurgence of the COVID-19 pandemic on the carrying amounts of its trade receivables, financial and non-financial assets. We have been prudent in applying judgments and making estimates. Based on our evaluation, we do not expect any material impact on our financial condition or financial performance, however, the eventual outcome of impact of COVID-19 pandemic may be different from those estimated in the Restated Consolidated Financial Information as the COVID-19 situation evolves in India and globally. We will continue to closely monitor any material changes to future economic conditions.

Known Trends or Uncertainties

Except as described in the section "*Risk Factors*" on page 29 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 29 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 161, 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 29 and 161, 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 "*—Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in the section "*Risk Factors*" on pages 328 and 29, respectively.

Statutory Auditors' Qualifications or Observations

There are no auditor qualifications in the examination report that have not been given effect to in the Restated Consolidated Financial Information.

Significant Developments after March 31, 2023

To our knowledge, except as disclosed below and otherwise disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since March 31, 2023, that materially and adversely affect, or are likely to affect our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

- Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement for an aggregate amount not exceeding ₹730.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

- Our Company has acquired leasehold rights for a parcel of land located at Village Kachigam, Nani Daman, District Daman (Daman Unit-V) pursuant to the leave and license agreement dated May 19, 2023 (the "**Lease Agreement**") for a consideration of ₹0.32 million per month. In this regard, a one time security deposit of ₹1.10 million has been submitted by our Company. The Lease Agreement is valid for a period of two years from June 1, 2023 to May 30, 2025 and can be renewed further. Our Company will manufacture creative products in Daman Unit-V.

- Our Company has entered into a memorandum of understanding dated June 14, 2023 for acquisition of land to set up a new manufacturing facility for writing instruments in the Valsad district ("**New Valsad Unit**"). The New Valsad Unit is being set up by our Company with the objective of leasing the New Valsad Unit to our Subsidiary, FWEPL on commercially acceptable terms for manufacture of a wide range of pens and houseware products. For details, see "*Objects of the Offer—Details of the Objects—Setting up the New Valsad Unit*" on page 98.

- Our Company and our Subsidiaries, FWEPL and FCIPL, have been disbursed certain loan amounts from Citibank N.A., the details for which are set out below.

Borrower	**Date of disbursement**	**Amount** (*in ₹ million*)	**Relevant loan agreement and sanction letter**
Our Company	June 27, 2023	210.00	Loan agreement dated September 12, 2022 and sanction letter dated August 2, 2022
FWEPL	June 20, 2023	120.00	Loan agreement dated September 12, 2022 and sanction letter dated August 2, 2022
FCIPL	May 25, 2023	82.50	Loan agreement dated September 12, 2022 and sanction letter dated August 2, 2022

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct or indirect tax matters, and (iv) legal proceedings that are otherwise material, in each case, involving our Company, our Subsidiaries, our Promoters and our Directors (the "**Relevant Parties**"). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

For the purposes of identification of material litigation in relation to (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation involving the Relevant Parties to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to resolution dated June 30, 2023:

All outstanding legal proceedings, including any legal proceedings involving the Relevant Parties (other than criminal proceedings, actions taken by statutory or regulatory authorities, and direct or indirect tax claims) shall be disclosed:

*(i) if the monetary amount of claim by or against the entity or person in any such pending proceeding is individually in excess of 2% of the PAT of our Company as per the last restated consolidated financial statements for the full year (i.e., 2% of ₹1,181.00 million as per the Restated Consolidated Financial Information, which is ₹23.62 million). Therefore, ₹23.62 million has been considered as the materiality threshold (the "**Materiality Threshold**");*

(ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the Materiality Threshold; or

(iii) any other outstanding legal proceedings, wherein the monetary liability is not quantifiable or does not meet the de minimis threshold provided under (i) above, shall be deemed to be material if the outcome of such litigation would have a material and adverse bearing on the business, operations, performance, prospects, financial position or reputation of our Company.

For the above purposes, pre-litigation notices received by 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 or respondents in proceedings before any judicial or arbitral forum.

There are no outstanding legal proceedings involving any of our Group Companies that have a material impact on our Company.

In terms of the Materiality Policy, outstanding dues to any creditor of our Company exceeding ₹12.71 million, i.e., 2% of the total trade payables of our Company as at the date of the latest Restated Consolidated Financial Information shall be considered "material" (i.e., 2% of ₹635.66 million as per the Restated Consolidated Financial Information, which is ₹12.71 million). Accordingly, as of March 31, 2023, any outstanding dues exceeding ₹12.71 million have been considered as material outstanding dues for the purposes of disclosure in this section.

*Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

We have disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Unless otherwise specified, the terms defined in the description of a particular litigation matter pertain to such matter only. Unless otherwise specified, the information provided below is as of the date of this Draft Red Herring Prospectus.

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 other than as disclosed below:

1. Our Company has filed a complaint, dated January 2, 2023, before the Metropolitan Magistrate, 33rd court, Ballard Pier, Mumbai, Maharashtra under section 138 of the Negotiable Instruments Act, 1881 ("**NI Act**") in relation to dishonour of a cheque issued by Ashok Chindhu Patil, aggregating to ₹0.33 million. The matter is currently pending.

2. Our Company has filed a complaint, dated January 2, 2023, before the Metropolitan Magistrate, 33rd court, Ballard Pier, Mumbai, Maharashtra under section 138 of the NI Act in relation to dishonour of a cheque issued by Sunita Ashok Patil, aggregating to ₹0.60 million. The matter is currently pending.

3. Our Company has filed a complaint, dated January 13, 2022, before the Metropolitan Magistrate, 33rd court, Ballard Pier, Mumbai, Maharashtra under section 138 of the NI Act in relation to dishonour of two cheques issued by Sanjay Kumar Gupta, aggregating to ₹2.77 million. The matter is currently pending.

4. Our Company has filed a complaint, dated February 27, 2020, before the Metropolitan Magistrate, 33rd court, Ballard Pier, Mumbai, Maharashtra under section 138 of the NI Act in relation to dishonour of a cheque issued by Sushil Kumar Singh, aggregating to ₹0.71 million. The matter is currently pending.

5. Our Company has filed a complaint, dated September 20, 2019, before the Metropolitan Magistrate, 33rd court, Ballard Pier, Mumbai, Maharashtra under section 138 of the NI Act in relation to dishonour of a cheque issued by Ajay Jhanwar, aggregating to ₹0.48 million. The matter is currently pending.

6. Our Company has filed a complaint, dated February 27, 2020, before the Metropolitan Magistrate, 33rd court, Ballard Pier, Mumbai, Maharashtra under section 138 of the NI Act in relation to dishonour of a cheque issued by Manis Bhasin, aggregating to ₹0.79 million. The matter is currently pending.

7. Our Company has filed a complaint, dated March 25, 2019, before the Metropolitan Magistrate, Borivali, Mumbai, Maharashtra under section 138 of the NI Act in relation to dishonour of a cheque issued by Sachin Nanalal Joshi, aggregating to ₹0.81 million. The matter is currently pending.

(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:

1. Our Company received a notice under section 7A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") dated March 22, 2023 from the Regional Office, Employees' Provident Fund Organisation, Uttarakhand ("**Notice**"), in connection with an order dated February 8, 2022 issued under section 8F of the EPF Act for a failure to pay certain dues standing to the credit of M/s New Vision, 66 Tyagi Market, Dehradun ("**New Vision**"), an entity associated with the Company, aggregating to ₹0.39 million. The Notice requires the Company to remit the outstanding sum to the Regional Provident Fund

Commissioner, Dehradun. Pursuant to the letter dated April 11, 2023, our Company has responded to the Notice stating that the letter dated February 8, 2022 was not received by the Company and that no dues of New Vision are outstanding or payable by the Company. The matter is currently pending.

2. Our Company received a notice dated June 19, 2023 from the Inspector, Legal Metrology, Department of Food, Civil Supplies and Consumer Affairs (Legal Metrology Wing), Government of Punjab ("**Notice**") in connection with certain packaging of 'Flair Kiemaya' ball pens that did not have the relevant information required under the Legal Metrology Act, 2009. Pursuant to an e-mail dated June 26, 2023, our Company has responded to the Notice. The matter is currently pending.

3. Our Company received a notice dated July 4, 2023 from the Regional Provident Fund Commission – II, Employees' Provident Fund Organisation, Regional Office, Vapi in connection with certain discrepancies and short comings observed in connection with a joint option availed by one of our employees. The matter is currently pending.

4. Our Company received a notice dated June 14, 2023 from the Assistant Director, Regional Office, Employees' State Insurance Corporation, Dehradun in connection with a failure to pay the employee's and employer's monthly contribution for the month of September, 2018. The matter is currently pending.

5. Our Company received a notice dated March 16, 2020, from the Senior Officer, Office of Senior Inspector Legal Metrology, Hapur, Uttar Pradesh in connection with packaging of 'Flair Regal Design' metal ball pen indicating that the packaging did not have the relevant information prescribed under the Legal Metrology (Packaged Commodities) Rules, 2011 and Legal Metrology Act, 2009. The matter is currently pending.

6. Our Company received a notice dated March 16, 2020, from the Senior Officer, Office of Senior Inspector Legal Metrology, Hapur, Uttar Pradesh in connection with packaging of 'Hauser Germany Savoy' ball pen indicating that the packaging did not have the relevant information prescribed under the Legal Metrology (Packaged Commodities) Rules, 2011 and Legal Metrology Act, 2009. The matter is currently pending.

(d) *Material civil litigation against our Company*

As of 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 of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by our Company.

II. Litigation involving our Subsidiaries

(a) *Criminal proceedings against our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Subsidiaries.

(b) *Criminal proceedings by our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Subsidiaries.

(c) *Actions and proceedings initiated by statutory/regulatory authorities involving our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving our Subsidiaries.

(d) *Material civil litigation against our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against our Subsidiaries.

(e) *Material civil litigation by our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by our Subsidiaries.

III. Litigation involving our Directors

(a) Criminal proceedings against our Directors

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of our Directors.

(b) Criminal proceedings by our Directors

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Directors.

(c) Actions and proceedings initiated by statutory/regulatory authorities involving our Directors

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of our Directors.

(d) Material civil litigation against our Directors

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Directors.

(e) Material civil litigation by our Directors

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of our Directors other than as set out below:

1. Mr. Rajesh Khubilal Rathod and Mr. Sumit Rathod, our Whole-time Directors, and another as partners of M/s. Trinity Developers ("**Plaintiffs**"), have filed a suit for specific performance and permanent injunction against Suresh Kantilal Jani and others ("**Defendants**"), before the court of Civil Judge, Senior Division, Vasai ("**Court**"), seeking (i) an order against the Defendants in relation to performing their obligations under a memorandum of understanding dated November 18, 2010 ("**MoU**") being entered into between the Defendants and Plaintiffs in relation to sale of a land situated at Vasai, Maharashtra ("**Suit Property**"); (ii) right, title and interest in the Suit Property. In the alternative, the Plaintiffs sought a refund of part consideration amounting to ₹15.20 million and damages amounting to ₹71.17 million for loss of business incurred by the Plaintiffs on account of non-performance of the MoU. Further, the Plaintiffs sought a perpetual injunction against the Defendants from (i) creating any third party interest over the Suit Property; and (ii) raising any construction over the Suit Property. The matter is currently pending.

IV. Litigation involving our Promoters

(a) Criminal proceedings against our Promoters

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of our Promoters.

(b) *Criminal proceedings by our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Promoters.

(c) *Actions and proceedings initiated by statutory/regulatory authorities involving our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of our Promoters.

(d) *Disciplinary action imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years*

As of the date of this Draft Red Herring Prospectus, there are no disciplinary actions imposed by SEBI or stock exchanges against any of our Promoters in the last five Financial Years.

(e) *Material civil litigation against our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Promoters.

(f) *Material civil litigation by our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of our Promoters.

V. Tax proceedings involving our Company, Subsidiaries, Directors and Promoters

Details of outstanding tax proceedings involving our Company, Subsidiaries, Directors and Promoters as of the date of this Draft Red Herring Prospectus are disclosed below:

Nature of Proceedings	Number of Proceedings	Amount involved *(in ₹ million)*
Direct Tax		
Company	16	48.98
Subsidiaries	Nil	Nil
Directors	5	137.42
Promoters	5	0.22
Sub-total (A)	26	186.62
Indirect Tax		
Company(1)(2)	21	69.11
Subsidiaries	Nil	Nil
Directors	Nil	Nil
Promoters	Nil	Nil
Sub-total (B)	21	69.11
Total (A+B)	**47**	**255.73**

(1) *Includes three writ petitions filed by the Company against the Central Board of Indirect Tax and Customs pending before the High Court of Gujarat.*

(2) *Includes three claims made by the Office of the Commissioner of Customs in connection with short-payment of integrated goods and services tax.*

VI. Outstanding dues to creditors

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a resolution dated June 30, 2023 of our Board, considers all creditors to whom the amount due by our Company exceeds 2% of the total trade payables of our Company as of March 31, 2023 (*i.e.*, 2% of ₹635.66 million as per the Restated Consolidated Financial Information, which is ₹12.71 million) as material creditors of our Company.

Details of outstanding dues owed to material creditors, MSME creditors and other creditors of our Company based on such determination are disclosed below.

Type of Creditors	Number of Creditors	Amount *(in ₹ million)*
MSME creditors	204	228.03
Other creditors	499	407.63
Total	**703**	**635.66**

As of March 31, 2023, there are 10 material creditors to whom our Company owes ₹292.00 million. The details pertaining to net outstanding over dues towards our material creditors are available on the website of our Company at www.flairworld.in/investor-relation.html. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

VII. Material developments since the date of the last balance sheet

Other than as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 318, in the opinion of our 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 assets, or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of licenses, approvals, registrations and permits obtained by our Company for the purpose of undertaking its business activities. In view of these approvals, our Company can undertake this Offer and its business activities. Certain of our approvals may have expired or may expire in the ordinary course of business, from time to time and our Company has either already made an application to the appropriate authorities for renewal of such approvals or is in the process of making such renewal applications. For details in connection with the applicable regulatory and legal framework, see "Risk Factors" and "Key Regulations and Policies" on pages 29 and 191, respectively.

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 367.

II. Corporate approvals in relation to 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. Tax registrations obtained by our Company

1. PAN AACCF8824C issued by the Income Tax Department, Government of India.

2. Tax Deduction Account Number MUMF08274A issued by the Income Tax Department, Government of India.

3. GST identification number for Maharashtra, where our Registered Office is located is 27AACCF8824C1ZR. We have also obtained GST registrations in states and union territories where our business operations are situated, *i.e.*, Maharashtra, Gujarat, Uttarakhand, Dadra and Nagar Haveli and Daman and Diu.

IV. Other approvals in relation to our business

While there are no material approvals that are required in connection with our Company, certain other business related approvals are set out below:

1. Except for the approvals provided in (V) and (VI) below, in respect of our units located at Dadra and Nagar Haveli and Daman and Diu (except Daman Unit-V which is currently not operational), Dehradun, Uttarakhand, Naigaon, Maharashtra and Valsad, Gujarat, certain approvals and registrations obtained by our Company include licenses under the Factories Act, consent to establish and operate under the Air Act, the Water Act and the Hazardous Waste Rules (in respect of our Naigaon unit), consolidated consents and authorizations (in respect of our units at Dadra and Nagar Haveli and Daman and Diu, Dehradun and Valsad), industrial entrepreneur's memoranda (in respect of our units at Dadra and Nagar Haveli and Daman and Diu, Dehradun and Valsad), occupancy certificates and no-objection certificates from the fire service departments (including a provisional no-objection certificate from the fire service department in respect of our Naigaon unit).

2. In respect of Daman Unit-V which is currently not operational, our Company has obtained an occupancy certificate.

3. Our Company has obtained registration under the Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017 for the Registered Office.

4. Our Company has obtained registrations under certain labour laws including, but not limited to, registrations under the Employees' Provident Funds and Miscellaneous Act, 1952 and the Employees' State Insurance Act, 1948, as applicable.

5. Our Company has obtained registration under the Contract Labour (Regulation and Abolition) Act, 1970, in respect of facilities at Dehradun and Valsad.

6. Our Company has obtained the certificate of importer-exporter code and has been recognized as a ‘two star’ export house by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

V. Approvals in relation to our business for which applications have been filed by our Company

1. Consolidated consent and authorization under the Air Act, the Water Act and the Hazardous Waste Rules for one of our units at Dehradun (Dehradun Unit-I).
2. Consent to establish (expansion) and the consent to operate under the Air Act, the Water Act and the Hazardous Waste Rules for one of our units at Daman (Daman Unit-II).
3. Consent to establish under the Air Act, the Water Act and the Hazardous Waste Rules for one of our units at Daman (Daman Unit-V)
4. License under the Factories Act for Daman Unit-V.
5. No-objection certificates from the fire service department for our units at Daman (Daman Unit-II, Daman Unit-III, Daman Unit-IV and Daman Unit-V).

VI. Approvals in relation to our business for which applications are pending

In respect of one of our units at Daman (Daman Unit-V), that is currently not operational, we have not applied for the consolidated consent and authorization under the Air Act, the Water Act and the Hazardous Waste Rules as we are yet to receive the consent to establish. Further, as we have not commenced operations at Daman Unit-V, we have not applied for the industrial entrepreneur’s memoranda.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has authorized the Offer, pursuant to a resolution dated June 23, 2023. Our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their extra-ordinary general meeting dated June 26, 2023. This Draft Red Herring Prospectus has been approved by our Board and the IPO Committee pursuant to the resolutions dated July 10, 2023 and July 14, 2023, respectively.

Our Board has taken on record the participation of Selling Shareholders in the Offer for Sale, pursuant to a resolution dated July 10, 2023.

The Offer for Sale has been authorized, severally and not jointly, by the Selling Shareholders as disclosed in "*The Offer*" on page 65.

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, our Promoters, the Selling Shareholders, the other members of the Promoter Group and our Directors have not been debarred from accessing or operating in the capital markets under any order or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

The companies with which our Promoters or Directors are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital markets by the SEBI.

None of our Directors are associated with the securities market in any manner and no outstanding action has been initiated against them by the SEBI in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group and the Selling Shareholders (to the extent applicable to them) are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to our Company, as of the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full financial years, *i.e.*, as at and for the Financial Years 2023, 2022 and 2021, of which not more than 50% are held in monetary assets.
- Our Company has an average operating profit of ₹150 million, calculated on a restated and consolidated basis, during the preceding three full financial years, *i.e.*, Financial Years 2023, 2022 and 2021, with operating profit in each of these preceding three financial years;
- Our Company has a Net Worth of at least ₹10 million, calculated on a restated and consolidated basis, in each of the preceding three full financial years, *i.e.*, Financial Years 2023, 2022 and 2021; and
- Our Company has not changed its name during the preceding one year.

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 Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the three immediately preceding Financial Years are disclosed below.

S. No.	Particulars[1]	Financial Year		
		2023	2022	2021
		(*in ₹ million*)		
A.	Restated consolidated net tangible assets[2]	4,359.85	3,182.78	2,629.57
B.	Restated consolidated monetary assets[3]	7.94	3.33	169.48
C.	Monetary assets as a percentage of the restated consolidated net tangible assets (B/A*100)	0.18%	0.10%	6.45%
D.	Restated consolidated pre-tax operating profit[4]	1,561.71	732.02	5.63
E.	Net Worth[5]	4,379.87	3,198.55	2,646.54

(1) *Source: Restated Consolidated Financial Information*

(2) *Restated consolidated net tangible assets means the sum of all net assets of the Company as per the Restated Consolidated Financial Information excluding Intangible Assets (as per IND AS - 103 or IND AS- 38), as defined under the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015).*

(3) *Restated consolidated monetary assets are defined as amount of 'Cash and Cash equivalents' as per the Restated Consolidated Financial Information, (excluding Fixed deposits with banks not considered as cash and cash equivalents).*

(4) *Restated consolidated net operating profit means restated profit before tax excluding other income, finance costs and exceptional items less other income.*

(5) *Net Worth means the aggregate value of paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

Our Company has operating profit in each of the Financial Years 2023, 2022 and 2021 as per the Restated Consolidated Financial Information. Our average restated operating profit for Financial Years 2023, 2022 and 2021 is ₹766.45 million.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company and the 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 SEBI ICDR Regulations and timelines specified under other applicable laws. None of the Selling Shareholders shall be liable to reimburse our Company for any interest paid by it on behalf of the Selling Shareholders on account of any delay with respect to Allotment of the respective portion of the Offered Shares offered by such Selling Shareholder in the Offer for Sale, or otherwise, unless such delay is solely accountable to such Selling Shareholder.

Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as of the date of this Draft Red Herring Prospectus.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Each of the Selling Shareholders, severally and not jointly, confirms that the Equity Shares offered as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.

Disclaimer Clause of the SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. 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 THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING NUVAMA WEALTH MANAGEMENT LIMITED AND AXIS CAPITAL LIMITED, HAVE CERTIFIED THAT THE

DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. 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 IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS ARE, SEVERALLY AND NOT JOINTLY, RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THE RESPECTIVE PORTION OF THE EQUITY SHARES BEING OFFERED BY THEM IN THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 14, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of the Companies Act, 2013.

Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made in relation to our Company or the Offer other than those confirmed by them 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 Selling Shareholders accepts no responsibility for any statements made other than those specifically made by the respective Selling Shareholder in relation to itself and its respective portion of the Offered Shares. Except when specifically directed in this Draft Red Herring Prospectus, anyone placing reliance on any other source of information, including our Company's website, www.flairworld.in or any website of our Promoters, any member of the Promoter Group, Group Companies or affiliates of our Company or the Selling Shareholders, would be doing so at their own risk.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholders (to the extent that the information required pertains to itself and its respective portion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, the 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, 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 laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, each of the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives 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 in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiaries, the Selling Shareholders, and our

Group Companies, and their respective directors and officers, 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 our Company, its Subsidiaries, the Selling Shareholders, and their respective group companies, directors, officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Equity Shares in the Offer shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders 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.

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, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), systemically important NBFCs registered with the RBI or trusts under applicable trust law and who are authorized under their constitution to hold and invest in equity shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, National Investment Fund, 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 to NBFC-SI, Eligible FPIs, AIFs, FVCIs, 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.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

This Draft Red Herring Prospectus shall not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any jurisdiction including India. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform themselves about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus.

Bidders are advised to ensure that any Bid from them should not exceed investment limits or the maximum number of Equity Shares that could be held by them under applicable law.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries, the Selling Shareholders, our Promoters, members of our Promoter Group or our Group Companies since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as at any time subsequent to this date.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be 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 and the Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be 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 and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining listing and trading permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI. For avoidance of doubt, no liability to make any payment of interest shall accrue to any Selling Shareholder unless the delay in making any of the payments hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is solely and directly attributable to such Selling Shareholder.

The Selling Shareholders, severally and not jointly, undertake to provide such reasonable assistance as may be requested by our Company, in relation to their respective portion of the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholder in proportion to its respective portion of the Offered Shares.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the legal counsel to our Company as to Indian Law, the Bankers to our Company, the BRLMs, the Registrar to the Offer, the Syndicate Members, CRISIL, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s), the Sponsor Banks and the Monitoring Agency to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed (as applicable) along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents that have been obtained have not been withdrawn as of the date of this Draft Red Herring Prospectus.

Experts

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

Our Company has received written consent dated July 14, 2023 from the Statutory Auditors, namely, M/s. Jeswani & Rathore, Chartered Accountants, holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of their (i) examination report dated June 30, 2023 on the Restated Consolidated Financial Information; and (ii) the statement of special tax benefits dated July 14, 2023, 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 the independent Chartered Engineer Mr. Trushar Rameshbhai Patel (M.E. Structures), Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of their (i) certificate dated July 12, 2023 in connection with the production capacity and capacity utilization at our manufacturing units and in connection with the capital expenditure proposed to be undertaken by our Company and its Subsidiary, FWEPL; and (ii) the Cost Assessment Report dated July 12, 2023 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.

Our Company has received written consent dated July 5, 2023 from the independent legal professional, Mr. Vinod Patel, to include his name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of the title search report dated July 5, 2023 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.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed Subsidiaries, listed Group Companies or listed associates.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

No sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Details of Public or Rights Issues by our Company

Our Company has not made public issues during the last five years and except as disclosed in "*Capital Structure*" on page 80, our Company has not undertaken any rights issue during the last five years.

Performance vis-à-vis Objects – Details of Public or Rights Issues by listed subsidiaries/listed Promoter of our Company

Our Company does not have any listed Subsidiaries or listed Promoters.

Price Information of Past Issues Handled by the BRLMs

1. **Nuvama Wealth Management Limited (formerly known as Edelweiss Securities 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 closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Inox Green Energy Services Limited	7,400.00	65.00	November 23, 2022	60.50	-30.77% [-1.11%]	-32.77% [-1.33%]	-26.85% [0.36%]
2.	Five Star Business Finance Limited	15,934.49	474.00	November 21, 2022	468.80	29.72% [1.24%]	19.20% [-1.19%]	11.72% [0.24%]

S. No.	**Issue Name	Issue Size *(in ₹ million)* #	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
3.	DCX Systems Limited	5,000.00	207.00	November 11, 2022	286.25	17.10% [0.63%]	-12.56% [-1.83%]	-12.32% [-0.05%]
4.	Vedant Fashions Limited	31,491.95	866.00	February 16, 2022	935.00	3.99% [-0.20%]	14.53% [-8.54%]	37.67% [2.17%]
5.	MedPlus Health Services Limited	13,982.95	796.00@	December 23, 2021	1,015.00	53.22% [3.00%]	23.06% [1.18%]	-6.55% [-9.98%]
6.	Tarsons Products Limited	10,234.74	662.00$	November 26, 2021	700.00	-4.16% [0.03%]	-4.46% [0.22%]	0.20% [-5.35%]
7.	S. J. S. Enterprises Limited	8,000.00	542.00	November 15, 2021	542.00	-24.99% [-4.33%]	-29.33% [-4.06%]	-30.67% [-12.85%]
8.	Vijaya Diagnostic Centre Limited	18,942.56	531.00*	September 14, 2021	540.00	5.41% [4.50%]	8.08% [0.76%]	-20.59% [-4.31%]
9.	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82% [5.55%]	-0.82% [6.86%]	0.64% [3.92%]
10.	Devyani International Limited	18,380.00	90.00	August 16, 2021	140.90	32.83% [4.93%]	78.39% [9.30%]	97.17% [4.90%]

Source: www.nseindia.com and www.bseindia.com

**Vijaya Diagnostic Centre Limited - A discount of ₹ 52 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹531 per equity share*
$Tarsons Products Limited - A discount of ₹ 61 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹662 per equity share.
@MedPlus Health Services Limited - A discount of ₹ 78 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹796 per equity share.
#As per Prospectus
****Pursuant to order passed by Hon'ble National Company Law Tribunal, Mumbai Bench dated April 27, 2023, the merchant banking business of Edelweiss Financial Services Limited ("Edelweiss") has demerged and now transferred to Nuvama Wealth Management Limited ("Nuvama") and therefore the said merchant banking business is part of Nuvama.*

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 previous trading day has been considered.*
4. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and 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 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%
2023-24	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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%
2022-23*	3	28,334.49	-	1	-	-	1	1	-	1	1	-	-	1
2021-22	9	231,182.63	-	-	3	1	2	3	-	1	2	2	1	3

The information is as on the date of the document
1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
3. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*

[#]*As per Prospectus.*

2. 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):

Sr. No.	Issue name	Issue size ₹ millions	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Cyient DLM Limited[&] [(2)]	5,920.00	265.00	July 10, 2023	403.00	-	-	-
2	Mankind Pharma Limited[(2)]	43,263.55	1,080.00	May 9, 2023	1,300.00	+37.61%, [+2.52%]	-	-
3	Elin Electronics Limited[(1)]	4,750.00	247.00	December 30, 2022	243.00	-15.55%, [-2.48%]	-52.06%, [-4.73%]	-29.35%, [+4.23%]
4	Landmark Cars Limited[*(1)]	5,520.00	506.00	December 23, 2022	471.30	+22.83%, [+1.30%]	+1.16%, [-2.72%]	+35.06%, [+5.82%]
5	Uniparts India Limited[(1)]	8,356.08	577.00	December 12, 2022	575.00	-5.11%, [-3.24%]	-7.38%, [-4.82%]	-0.60%, [+0.80%]
6	Keystone Realtors Limited[(1)]	6,350.00	541.00	November 24, 2022	555.00	-12.26%, [-3.90%]	-9.70%, [-2.57%]	-8.64%, [-0.50%]
7	Bikaji Foods International Limited[# (1)]	8,808.45	300.00	November 16, 2022	321.15	+28.65%, [-0.29%]	+26.95%, [-2.50%]	+24.17%, [+0.08%]
8	DCX Systems Limited[(1)]	5,000.00	207.00	November 11, 2022	286.25	+17.10%, [+0.63%]	-12.56%, [-1.83%]	-12.32%, [-0.05%]
9	Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)[$(2)]	7,550.00	330.00	September 26, 2022	450.00	+31.92%, [+3.76%]	+10.68%, [+4.65%]	-2.18%, [-0.42%]
10	Tamilnad Mercantile Bank Limited[(1)]	8,078.40	510.00	September 15, 2022	510.00	-8.43%, [-3.36%]	+2.14%, [+4.34%]	-15.82%, [-2.83%]

Source: www.nseindia.com and www.bseindia.com
[(1)]*BSE as Designated Stock Exchange*
[(2)]*NSE as Designated Stock Exchange*
[&] *Offer Price was ₹ 250.00 per equity share to Eligible Employees*
[*] *Offer Price was ₹ 458.00 per equity share to Eligible Employees*
[#] *Offer Price was ₹ 285.00 per equity share to Eligible Employees*
[$]*Offer Price was ₹ 299.00 per equity share to Eligible Employees*

Notes:
1. *Issue Size derived from Prospectus/final post issue reports, as available.*
2. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
3. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case 30th/90th/180th day is not a trading day, closing price of the previous 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 issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2023-2024*	2	49,183.55	-	-	-	-	1	-	-	-	-	-	-	-
2022-2023	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7

** 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.

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.	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	www.nuvama.com
2.	Axis Capital Limited	www.axiscapital.co.in

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 as of the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

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 date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI Master Circular for Issue of Capital and Disclosure Requirements, SEBI circular dated March 16, 2021, read with the SEBI circulars dated June 2, 2021 and April 20, 2022 and subject to applicable law, 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 the 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 of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In the event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount, in addition to the compensation paid by the respective SCSBs, for the period of such delay.

All Offer-related grievances may be addressed to the Registrar to the Offer 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, Bid cum Application Form number, Bidder DP ID, Client ID, UPI 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.

Further, 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 hereinabove.

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. The Registrar to the Offer shall obtain the required information from the SCSBs and the Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs or the Sponsor Banks including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has also appointed Mr. Vishal Kishor Chanda, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 72.

The Selling Shareholders have, severally and not jointly, authorized the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress, on their behalf, any complaints or investor grievances received from Bidders in respect of their respective portion of the Offer for Sale.

Investors can contact our 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.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Disposal of Investor Grievances by Our Company

Our Company shall, post the filing of this Draft Red Herring Prospectus, apply for the authentication on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014, the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019, the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and the SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022, issued by SEBI in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders' Relationship Committee comprising Mr. Punit Saxena, Mr. Vimalchand Jugraj Rathod and Mr. Rajesh Khubilal Rathod who are Directors on our Board, to review and redress shareholder and investor grievances. See "*Our Management—Committees of the Board—Stakeholders' Relationship Committee*" on page 220.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and there are no investor complaints pending as of the date of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by it or the Registrar to the Offer or the relevant Designated Intermediary for the redressal of routine investor grievances shall be 15 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.

Disposal of investor grievances by listed Group Companies

As of the date of this Draft Red Herring Prospectus, we do not have any listed Group Companies.

Exemption from complying with any provisions of securities laws granted by the SEBI

Our Company has not applied for or received any exemption from complying with any provisions of securities laws from SEBI.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, transferred and Allotted 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 (including the Pre-IPO Placement) by our Company and an Offer for Sale by the Selling Shareholders. The fees and expenses relating to the Offer shall be borne by each of our Company and the Selling Shareholders in the manner agreed to among our Company and the Selling Shareholders and in accordance with applicable law. For details in relation to Offer expenses, see "*Objects of the Offer*" on page 96.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹730.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, the SEBI Listing Regulations, SCRA, SCRR, 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 "*Description of Equity Shares and Terms of the Articles of Association*" on page 409.

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 "*Description of Equity Shares and Terms of the Articles of Association*" on pages 233 and 409, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹5 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 Offer Price, Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs and advertised in the all editions of the English and Hindi national daily newspaper [●] and the Mumbai 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 two 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 respective 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.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of Equity 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; 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 "*Description of Equity Shares and Terms of the Articles of Association*" on page 409.

Allotment only 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 dematerialized form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see "*Offer Procedure*" on page 387.

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 nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. 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.

Bid/Offer Programme

BID/OFFER OPENS ON	[●](1)
BID/OFFER CLOSES ON	[●](2)(3)

(1) *Our Company, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be [●], i.e., one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*
(2) *Our Company, 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.*
(3) *UPI mandate end time and date shall be 5:00 p.m. on the Bid/Offer Closing Date.*

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 [●]
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 [●]

(i) In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and the SEBI Master Circular for Issue of Capital and Disclosure Requirements, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs.

While our Company and the 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.

The SEBI is in the process of streamlining and reducing the post issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with listing timelines and activities prescribed by the SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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 Bidders, 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 Bidders .

On the Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/offer Opening Date until the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis.

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 or not blocked under the UPI Mechanism 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).

Our Company, 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 any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. In case of *force majeure*, banking strike or similar circumstances, our Company may, 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, 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 Member and by intimation to the other Designated Intermediaries.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI Master Circular for Issue of Capital and Disclosure Requirements. If there is a delay beyond the prescribed time, our Company, to the extent applicable, shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law. Subject to applicable law, the Selling Shareholders shall not be responsible to pay interest for any delay, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder, in which case such liability shall be on a several and not joint basis.

The requirement of minimum subscription is not applicable to the Offer for Sale.

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.

In the event of an undersubscription in the Offer, the Equity Shares will be Allotted in the following order:

i. such number of Equity Shares will first be Allotted by our Company such that 100% of the Fresh Issue portion is subscribed; and
ii. once Equity Shares have been Allotted as per (i) above, all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder to the aggregate Offered Shares in the Offer for Sale).

Further, our Company and the 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 49(1) 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.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

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 80 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 "*Description of Equity Shares and Terms of the Articles of Association*" on page 409.

Withdrawal of the Offer

Our Company, 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, 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 and the Sponsor Bank, as applicable, to unblock the Bid Amounts in the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank 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 our Company, 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.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares bearing face value of ₹5 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹7,450.00 million comprising a Fresh Issue of up to [●] Equity Shares by our Company aggregating up to ₹3,650.00 million and an Offer for Sale, the details of which are set out below:

S. No.	Name	Date of consent letter	Offer for Sale
1.	Mr. Khubilal Jugraj Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹760.00 million
2.	Mr. Vimalchand Jugraj Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹570.00 million
3.	Mrs. Nirmala Khubilal Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
4.	Mrs. Manjula Vimalchand Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
5.	Mr. Rajesh Khubilal Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
6.	Mr. Mohit Khubilal Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
7.	Mr. Sumit Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹380.00 million
8.	Mrs. Sangita Rajesh Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹190.00 million
9.	Mrs. Shalini Mohit Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹190.00 million
10.	Mrs. Sonal Sumit Rathod	July 1, 2023	Up to [●] Equity Shares aggregating up to ₹190.00 million

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹730.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from 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, in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.

Particulars	QIBs[(3)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation[(1)]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for allocation	Not more than 50% of the Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation on a proportionate basis 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 available for allocation to other QIBs in the remaining Net QIB Portion.	Not less than 15% of the Offer, subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) two-thirds of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million. Provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in	Not less than 35% of the Offer.

Particulars	QIBs[3]	Non-Institutional Bidders	Retail Individual Bidders
		the other sub-category of Non-Institutional Bidders	
Basis of Allotment/allocation if respective category is oversubscribed[1]	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Balance [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	(a) One-third of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹0.20 million and up to ₹1.00 million; and (b) two-thirds of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹1.00 million, 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. For further details, see "*Offer Procedure*" on page 387.	The allotment to each RIB 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 allotted on a proportionate basis. For further details, see *Offer Procedure* on page 387.
Mode of Bidding[2]	Only through the ASBA process (including the UPI Mechanism, as applicable) (except for Anchor Investors) SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹0.50 million, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹0.50 million shall be required to use the UPI Mechanism		
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the Anchor Portion) subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to applicable limits to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Non-Institutional Portion	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion
Trading Lot	One Equity Share		
Mode of Allotment	Compulsory in dematerialized form		

Particulars	QIBs[3]	Non-Institutional Bidders	Retail Individual Bidders
Who can apply[4]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with the SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, 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, corporate bodies, scientific institutions, societies, trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices which are re-categorized as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of *karta*).
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[5] **In case of other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Banks through the UPI Mechanism (for RIBs or individual investors Bidding under the Non-Institutional Portion for an amount of more than ₹0.20 million and up to ₹0.50 million) that is specified in the ASBA Form at the time of submission of the ASBA Form.		

(1) Assuming full subscription in the Offer

(2) Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI has mandated that ASBA applications in the Offer will be processed only after the Bid Amounts are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors and all modes through which the Applications are processed, accept ASBA Forms in their electronic book building platform only with a mandatory confirmation on the Bid Amounts blocked.

(3) The Offer is being made through the Book Building Process in accordance 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 QIBs. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them 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 all QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price, which price shall be determined by our Company in consultation with the BRLMs. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 387.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, on a proportionate basis.

However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "Terms of the Offer" on page 377.

(4) *If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the members of the Syndicate, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

(5) *Anchor Investors are not permitted to use the ASBA process. Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.*

The Bids by FPIs with certain structures as described under "*Offer Procedure—Bids by FPIs*" on page 394 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the members of the Syndicate, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 377.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "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 which is part of the abridged prospectus accompanying the Bid cum Application Form. 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, including in relation to the process for Bids by Retail Individual Bidders through the UPI Mechanism.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer, (ii) maximum and minimum Bid size, (iii) price discovery and allocation, (iv) payment instructions for ASBA Bidders, (v) issuance of Confirmation of Allocation Note and Allotment in the Offer, (vi)general instructions (limited to instructions for completing the Bid cum Application Form), (vii) Designated Date, (viii) disposal of applications, (ix) submission of Bid cum Application Form, (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds), (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications, (xii) mode of making refunds, and (xiii) interest in case of delay in Allotment or refund.

*The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by the SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and the SEBI Master Circular for Issue of Capital and Disclosure Requirements has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of these circular are deemed to form part of this Draft Red Herring Prospectus.*

Pursuant to a press release (no. 12/2023) dated June 28, 2023 issued by SEBI, the board of directors of the SEBI, have approved the proposal to reduce the time period for listing of equity shares pursuant to a public issue from six Working Days to three Working Days. The above timeline will be applicable on a voluntary basis for public issues opening on or after September 1, 2023 and on a mandatory basis for public issues opening on or after December 1, 2023. While the SEBI has not issued any circulars or notifications in connection with the reduction in timeline for listing of equity shares pursuant to public issues, if the proposals are implemented, we may need to make appropriate changes in the Offer Documents.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed by the

Registrar along with the SCSBs only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinatewith intermediaries involved in the said process. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rateof ₹100 per day or 15% per annum of the application amount for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking.

Our Company, the Selling Shareholders and the Syndicate 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 laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance 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 QIBs, provided that our Company, 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, subject to valid Bids being received from domestic Mutual Funds at or above the 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 Net QIB Portion. Further, 5% of the Net QIB 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 (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 applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders; and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹730.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

All potential Bidders (except Anchor Investors) are required to mandatorily utilize the ASBA process providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

Phased implementation of UPI

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, among others, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. The board of directors of the SEBI, on June 28, 2023, have approved the proposal to reduce the time period for listing of equity shares pursuant to a public issue from six Working Days to three Working Days. The above timeline will be applicable on a voluntary basis for public issues opening on or after September 1, 2023 and on a mandatory basis for public issues opening on or after December 1, 2023. As of the date of this Draft Red Herring Prospectus, the SEBI has not issued any circulars or notifications in connection with the reduction in timeline for listing of equity shares pursuant to public issues.

Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, a Retail Individual Bidders had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI, vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement of this phase is yet to be notified by SEBI. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 (the "**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law.

Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date.

If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint Sponsor Banks to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. The electronic copy of the Bid cum Application Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

UPI Bidders using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than UPI Bidders using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. Retail Individual Bidders authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Form*

Notes:

(1) *Electronic Bid cum Application Forms and the abridged prospectus will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).*

(2) *Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than through the UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate the UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (*i.e.*, the Sponsor Banks, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Offer. The BRLMs shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI circular dated March 16, 2021, as amended pursuant to the SEBI circulars dated June 2, 2021 and April 20, 2022.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹500,000 and NII and QIB bids above ₹200,000, through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation on compliance with the UPI Circulars.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portals for intermediaries (closed user group) from the date of Bid/Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 Offer.
b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until 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 until 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the stock exchange platform during the Bid/Offer Period after which the Stock Exchange(s) send the Bid information to the Registrar to the Offer for further processing.

Participation by the Promoters, the members of the Promoter Group, the BRLMs, the Syndicate Members and persons related to Promoters/the members of the Promoter Group/the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion, as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective 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.

Except as stated below, neither the BRLMs nor any associate of the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associates of the BRLMs;
(ii) insurance companies promoted by entities which are associates of the BRLMs;
(iii) AIFs sponsored by the entities which are associates of the BRLMs;
(iv) FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLMs; or
(v) pension funds sponsored by entities which are associates of the BRLMs

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, among the Anchor Investor and the BRLMs.

Further, except for the sale of Equity Shares by the Promoter Selling Shareholder and the Promoter Group Selling Shareholders in the Offer, our Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer.

However, a QIB who has any of the following rights in relation to our Company shall be deemed to be a person related to our Promoters or the members of the Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or the members of the Promoter Group of our Company;

(ii) veto rights; or
(iii) right to appoint any nominee director on the Board.

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, reserve the right to reject any Bid without assigning any reason thereof, 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 such 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 HUFs

Bids by HUFs, should be made 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 will be considered at par with Bids/Applications from individuals.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. 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 authorise their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) 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 authorise their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) 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.

Our Company has, pursuant to a Board resolution dated June 9, 2023 and Shareholders resolution dated June 26, 2023 increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of the Company, provided that the shareholding of each NRI and OCIs shall not exceed 5% of the total paid-up equity capital of our Company on a fully diluted basis.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

In accordance with the NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application.

Also see "*Restrictions on Foreign Ownership of Indian Securities*" on page 407.

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 multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA Non-debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap is 100% and accordingly, the applicable limit with respect to our Company is 100%.

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. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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 21 of the SEBI FPI Regulations, an FPI, 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 in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
(ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (the "**Operational FPI Guidelines**"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("**MIM Bids**"). FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "**MIM Structure**"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus."

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by SEBI registered AIFs, VCFs and FVCIs

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, *inter alia*, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations until the existing fund or scheme managed by the fund is wound up. 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 AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs, subject to the conditions prescribed by the SEBI. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs, subject to the conditions prescribed by the SEBI. A VCF 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, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, AIFs, 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 Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the 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 thereof.

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 which our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, ("**Banking Regulation Act**"), and the Master Directions – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act, (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank, and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate equity investment made by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the bank paid up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013 issued by SEBI. 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 Bids.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, a certified copies of the (i) certificate of registration issued by RBI, (ii) last audited financial statements on a standalone basis (iii) a net worth certificate from its statutory auditor(s), 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 thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by RBI from time to time. The investment limit for Systemically Important NBFCs shall be as prescribed by 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 thereof.

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 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, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of 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.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, Mutual Funds, insurance companies, Systemically Important NBFCs, 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 laws) and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, 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 thereof.

Our Company, in consultation with the BRLMs, in its 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, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below:

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 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 million.
(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
(iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.
(v) Our Company, in consultation with the BRLMs may finalise 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) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100.00 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million, subject to a minimum Allotment of ₹50.00 million per Anchor Investor; and (c) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500.00 million, subject to minimum Allotment of ₹50.00 million per Anchor Investor.
(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. 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 Exchanges.
(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
(viii) 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 Offer 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 Offer Price, Allotment to successful Anchor Investors will be at the higher price.

(ix) 50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.

(x) Neither the BRLMs(s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs) shall apply under the Anchor Investors Portion.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus, when filed. 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 laws or regulation and as specified in this Draft Red Herring Prospectus, or as will be specified in the Red Herring Prospectus and the Prospectus.

For more information, please read the General Information Document.

Certain Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges, nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company, nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

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 (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (*i.e.*, bank account number) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), 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 (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

F. Bidders Bidding shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

G. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

H. Ensure that you have funds equal to or more than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

I. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

J. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

K. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

L. 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;

M. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

N. 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;

O. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;

P. 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) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) 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, 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;

Q. 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;

R. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

S. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;

T. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

U. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders Bidding through UPI Mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI Mechanism) 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, UPI ID (for UPI Bidders bidding through UPI Mechanism) and PAN available in the Depository database;

V. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);

W. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

X. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process.

Y. In case of UPI Bidders, once the Sponsor Banks issues the Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

Z. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

AA. Ensure that when applying in the Offer using the UPI Mechanism, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

BB. In case of ASBA Bidders (other than 3-in-1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000;

CC. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

DD. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

EE. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum

Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

FF. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

GG. UPI Bidders Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorizes the Sponsor Banks to block the Bid Amount mentioned in the Bid cum Application Form;

HH. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. on the Bid/ Offer Closing Date;

II. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Portion for allocation in the Offer;

JJ. 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 or the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

KK. Ensure that the Demographic Details are updated, true and correct in all respects; and

LL. Ensure that your PAN is linked with your Aadhaar card, and that you are in compliance with notification dated Feb 13, 2020 and press release dated June 25, 2021, each issued by the Central Board of Direct Taxes.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

A. Do not Bid for lower than the minimum Bid size;

B. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

C. Do not Bid/revise the Bid Amount to an amount calculated at less than the Floor Price or higher than the Cap Price;

D. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

E. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

F. Do not pay the Bid Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;

G. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

H. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

I. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

J. Do not submit the Bid for an amount more than funds available in your ASBA account;

K. 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 Bidders. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

L. Do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;

M. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

N. If you are a QIB, do not submit your Bid after 3 p.m. on the Bid/Offer Closing Date for QIBs;

O. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 500,000;

P. Do not Bid for Equity Shares in excess of what is specified for each category;

Q. In case of ASBA Bidders and UPI Bidders using UPI mechanism, do not submit more than one Bid cum Application Form per ASBA Account or UPI ID, respectively.;

R. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

S. 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;

T. 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;

U. 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);

V. 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 laws or regulations, or under the terms of the Red Herring Prospectus;

W. Do not submit the General Index Register (GIR) number instead of the PAN;

X. Do not submit incorrect details of the DP ID, Client ID, the PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

Y. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;

Z. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

AA. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

BB. Anchor Investors should not Bid through the ASBA process;

CC. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

DD. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

EE. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

FF. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

GG. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;

HH. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism; and

II. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" on page 72.

For helpline details of the BRLMs pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see '*General Information*' on page 72.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular no. CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs Bidding in the Retail Portion with Bid Amount of a value of more than ₹200,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids by QIBs uploaded after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular dated March 16, 2021 read with SEBI circular dated March 31, 2021 and SEBI circulars dated June 2, 2021 and April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the RIBs, NIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to the availability of shares in Retail Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of shares in Non-Institutional Portion, and the remaining shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in its 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. Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). 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: "[●]"; and

(b) In case of Non-Resident Anchor Investors: "[●]".

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

Our Company, the Book Running Lead Managers and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading of the Equity Shares on the Stock Exchanges, disclosing the date of commencement of trading of the Equity Shares on the Stock Exchanges in: (i) [●] editions of [●], a widely circulated English national daily newspaper; (ii) in all editions of [●], a Hindi national daily newspaper; and (iii)

[●] editions of [●], a Marathi national daily newspaper (Marathi also being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of Prospectus.

(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 the Bidders 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, 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 and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with 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;

- 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 such other time as may be prescribed by the SEBI or under any applicable law;

- 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) to unsuccessful Bidders as per the mode(s) 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 Bidder 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;

- except for the allotment of Equity Shares pursuant to the Pre-IPO Placement, no further issue of the Equity Shares shall be made until 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, under-subscription, etc.; and

- 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;

- if our Company, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, it shall be required to file a fresh draft red herring prospectus with the SEBI.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly undertake the following:

(i) they are the legal and beneficial owners of the respective Equity Shares offered by them in the Offer for Sale;

(ii) the Offered Shares are free and clear of any encumbrances and shall be transferred to the successful Bidders under applicable law free and clear of any encumbrances;

(iii) the respective portion of the Offered Shares offered for sale by the Selling Shareholders are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations; and

(iv) they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges.

The statements and undertakings provided above are statements which are specifically confirmed or undertaken, severally and not jointly, by each Selling Shareholder in relation to itself and its respective portion of the Offered Shares.

Utilization of Net Proceeds

Our Company declares that:

(i) all monies received out of the Fresh Issue 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;

(ii) 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 Fresh Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

(iii) details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government of India has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry Government of India (earlier known as the Department of Industrial Policy and Promotion) ("**DPIIT**") issued the FDI Policy, which with effect from October 15, 2020 consolidated, subsumed superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as of and prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted for our Company.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure—Bids by Eligible NRIs*" and "*Offer Procedure—Bids by FPIs*" on page 393 and 394, respectively.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period. As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

For further details, see "*Offer Procedure*" on page 387.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws 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 the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

DEFINITION

Article 1 defines several terms including the following:

"Act" means the Companies Act, 2013 or any other statutory modification or re-enactment thereof for the time being in force.

"Articles" means the Articles of Association of the Company as may, from time to time, be altered in accordance with the Act.

"Board" or **"Board of Directors"** means the means the collective body of the directors for the time being of the Company.

"Company" means Flair Writing Industries Limited.

"Director" means a director appointed to the Board of the Company.

"Dividend" includes interim Dividend.

"Members" in relation to the Company, means (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members of the company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company; (c) every person holding shares in the Company and whose name is entered in Register of Beneficial Owners as Beneficial Owner.

"**Memorandum of Association**" means the memorandum of association of the Company as altered from time to time.

"Office" or "**registered office**" in relation to the Company, means the registered office of the Company.

"Persons" includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.

"Security" means shares, Debentures and/or such other securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.

"Shares" means a share in the share capital of the Company, and includes stock, except where a distinction between stock and Shares is expressed or implied.

SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL

Article 2 states that the Authorized Share Capital of the company shall be the capital as specified in Clause V 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.

Article 3 states that 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

Article 8 states that 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.

Article 9 states that 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.

Article 10 states that 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.

Article 11 states that where at any time, 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 provisions of the Act and 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 (or such lesser number of days as may be prescribed under the Act and other Applicable Law) 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; provided that the notice referred to above shall be dispatched through registered post or speed post or through electronic mode or courier or any other permissible mode having proof of delivery to all the existing Members within the time prescribed under Applicable Law.
(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 Article 11(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 and not disadvantageous to the shareholders and the Company.

Article 12 states that notwithstanding anything contained in the Article 11 the further shares aforesaid may be offered in any manner whatsoever, to:

(a) 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.
(b) to any persons, whether or not those persons include the persons referred to Article11 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.

Article 13 states that nothing in Article 11 and 12 shall be deemed;

(a) To extend the time within which the offer should be accepted; or
(b) To authorize 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.

Article 14 states that 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.

CALL ON SHARES

Article 33 states that 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.

Article 34 states that 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.

LIEN

Article 48 states that 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.

Article 49 states that the Board may at any time declare any Shares/ Debentures/Securities wholly or in part to be exempt from the provisions 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.

CAPITALISATION OF PROFITS

Article 65 states that 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 (i) above amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.

Article 66 states that 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 capitalized 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.

Article 67 states that 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 capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.

TRANSFER AND TRANSMISSION OF SHARES

Article 68 states that 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.

Article 69 states that 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.

BORROWING POWERS

Article 111 states that the Board may, from time to time, at its discretion subject to the provisions of the 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.

Article 112 states that 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.

GENERAL MEETINGS

Article 118 states that the Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.

Article 119 states that every Annual General Meeting shall be held in accordance with the provisions of the Act and other Applicable Laws.

Article 120 states that subject to the provisions of the Act, 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.

Article 121 states that all general meetings other than Annual General Meeting shall be called extraordinary general meeting.

Article 122 states that in case of meeting other than Annual General Meeting, all business shall be deemed special.

Article 123 states that the Board may, whenever it thinks fit, call an extraordinary general meeting.

Article 124 states that 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.

Article 125 states that 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 or such other percentage as may be prescribed under the Act, as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Article 126 states that 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.

Article 144 states that 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.

Article 145 states that 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.

Article 146 states that 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.

Article 147 states that 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.

Article 148 states that 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.

Article 149 states that 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.

Article 150 states that 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 or such other percentage or sum as may be prescribed by the Act.

Article 151 states that 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.

Article 152 states that 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.

Article 153 states that any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Article 165 states that 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.

BOARD OF DIRECTORS

Article 173 states that 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.

Article 184 states that the Company shall appoint such number of Independent Directors as required by the Act and other Applicable Law and the Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.

Article 191 states that subject to the provisions of Section 152 of the Act, at every Annual General meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. Independent Directors and Debenture Directors shall not be subject to retirement under this Article and shall not be taken into account in determining the Directors liable to retire by rotation.

Article 192 states that subject to the provisions of Section 152 of the Act and these Articles, the Directors to retire by rotation under Article 191 at every Annual General meeting shall be those who have been longest in office since their last appointment, but as between persons who become Director on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.

Article 193 states that a retiring Director shall be eligible for re-election.

PROCEEDINGS OF THE BOARD

Article 215 states that the Directors may meet together as a Board from time to time for the conduct and dispatch of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.

Article 216 states that meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means or such other number of days or manner as may be prescribed under Applicable Law.

Article 217 states that the notice of the meeting shall inform the Directors regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.

Article 218 states that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director. Where the Company does not have, for the time being, any Independent Director, a Board meeting may be called at a shorter notice where such notice is approved by a majority of Directors present at such meeting.

Article 219 states that the Board shall hold four Board Meetings every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings. The Directors may adjourn and otherwise regulate their meetings as they think fit.

Article 220 states that every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through Electronic Mode shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated.

Article 221 states that the Managing Director or a Director or a Secretary upon the requisition of Director(s), may at any time convene a meeting of the Directors.

Article 222 states that subject to the provisions of Section 173(2) of the Act and rules made thereunder, the Directors may participate in meetings of the Board by Electronic Mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors who have indicated their willingness to participate by such Electronic Mode, as the case may be.

Article 223 states that the Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through Electronic Mode, as the case may be, in accordance to the provisions of Section 173(2) of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairperson may decline the right of a Director to participate through Electronic Mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.

Article 224 states that subject as aforesaid, the conduct of the Board meeting where a Director participates through Electronic Mode shall be subject to Applicable Law, including for purposes of quorum requirements.

Article 225 states that the Board may elect a Chairperson of the Company, and determine the period for which he is to hold office. Such Chairperson shall be the Chairperson of the Board Meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.

Article 226 states that the quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide.

Article 227 states that the continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company and for no other purpose.

Article 228 states that a meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179 (1) of the Act, the powers of the Company.

Article 229 states that save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

Article 230 states that the Board may, subject to the provisions of the Act and Applicable Law, from time to time and at any time delegate any of its powers to committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any of its Committees or to any of its officers as the Board may determine.

Article 231 states that any committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.

Article 232 states that the meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board.

Article 233 states that save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a Board Meeting.

Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void.

Article 234 states that all acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Article 235 states that the Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws.

Article 236 states that each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting.

Article 237 states that in no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.

Article 238 states that the minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

Article 239 states that where the meeting of the Board takes place through Electronic Mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in Electronic Mode as may be decided by the Board and/or in accordance with Applicable Laws.

Article 240 states that every Director who attended the meeting, whether personally or through Electronic Mode, shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.

Article 241 states that all appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.

Article 242 states that the minutes shall also contain:

(1) The names of the Directors present at the meeting; and
(2) In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.

Article 243 states that nothing contained hereinabove shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the meeting:

(i) is, or could reasonably be regarded as defamatory of any person.
(ii) is irrelevant or immaterial to the proceedings; or
(iii) is detrimental to the interest of the Company.

Article 244 states that the Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.

Article 245 states that minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Article 246 states that any Director of the Company may requisition for physical inspection of the Board Meeting minutes by giving a prior notice of seven days.

Provided that the Director can requisition to inspect Board Meeting minutes only for the period that he is on the Board of the Company.

Provided further that the physical inspection shall be done solely by the Director himself and not by his authorized representative or any power of attorney holder or agent.

Article 252 states that 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 the Articles, but subject to the restrictions contained in the 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 authorized 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 the 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 and 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 authorized 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.

THE SEAL

Article 264 states that the Board may provide a Seal for the purpose of the Company and shall have power, from time to time, to destroy the same and substitute a new Seal, in lieu thereof. The Board shall provide for the safe custody of the Seal and the Seal, except as otherwise empowered under the Act, shall never be used except under the authority of the Board or a Committee of the Board previously given. The Seal of the Company shall not be affixed to any instrument expect by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and the Company Secretary or any other officer authorized by the Board and those two directors and the Company Secretary or authorized officer shall sign every instrument to which the seal of the Company is so affixed in his presence.

DIVIDENDS AND RESERVE

Article 266 states that the profits of the Company, subject to any special rights as to Dividends or authorized to be created by the Articles, and subject to the provisions of the Articles shall be divisible among the members in proportion to the amount of Capital paid-up on the shares held by them respectively.

Article 267 states that 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.

Article 268 states that 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.

ACCOUNTS

Article 284 states that the Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.

Article 285 states that where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.

Article 286 states that the Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.

AUDIT

Article 292 states that statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.

Article 293 states that subject to the provisions of Section 139 of the Act and rules made thereunder, the Statutory Auditors of the Company shall be appointed for a term of five consecutive years (in case Auditor is an Individual) or two terms of five consecutive years (in case Auditor is an Audit Firm) as the case may be. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws.

WINDING UP

Article 306 states that subject to the provisions of Chapter XX of the Act and Applicable Law made thereunder:

(i) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

Article 308 states that every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Article 309 states that subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects, defaults, malafide acts, error of judgment or oversight of any other Director or officer or employee which shall happen in the execution of the duties of their office or for any loss or expenses suffered by the Company through insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any monies, securities or effects' shall be entrusted or deposited.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC, and will also be available at the following web-link: www.flairworld.in/investor-relation.html. Physical copies of the above-mentioned documents referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. 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 July 14, 2023 entered into among our Company, the Selling Shareholders and the BRLMs.

2. Registrar agreement dated July 12, 2023 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Banker(s) to the Offer and the Registrar to the Offer.

4. Syndicate agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

5. Underwriting agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

6. Share escrow agreement dated [●] entered into among our Company, the 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 June 23, 2023 and the special resolution of the Shareholders dated June 26, 2023, in relation to the Offer and other related matters.

6. Resolutions dated July 10, 2023 and July 14, 2023 passed by our Board and the IPO Committee, respectively, approving this Draft Red Herring Prospectus and certain other related matters.

7. Consent letters issued by the Selling Shareholders in relation to their participation in the Offer, as detailed in "*The Offer*" on page 65.

8. Resolution dated July 10, 2023 passed by our Board taking on record the participation of the Selling

Shareholders in the Offer for Sale and other matters.

9. Consent from the Statutory Auditors, M/s, Jeswani & Rathore, Chartered Accountants, to include their name as an "expert" in their capacity as an auditor and in respect of (i) the examination report dated June 30, 2023 on the Restated Consolidated Financial Information; (ii) the statement of special tax benefits dated July 14, 2023 included in this Draft Red Herring Prospectus.

10. The examination report of the Statutory Auditors, dated June 30, 2023, on the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, together with the Restated Consolidated Financial Information.

11. Statement of special tax benefits dated July 14, 2023 issued by the Statutory Auditors.

12. Consent from the independent Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their (i) certificate dated July 12, 2023 in connection with the production capacity and capacity utilization at our manufacturing units and in connection with the capital expenditure proposed to be undertaken by our Company and its Subsidiary, FWEPL; and (ii) the Cost Assessment Report dated July 12, 2023 in connection with the objects of the Offer.

13. Consent from the independent legal professional, Mr. Vinod Patel, to include his name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of the title search report dated July 5, 2023 in connection with the objects of the Offer.

14. Report titled "*An assessment of writing and creative instruments industry and steel bottle industry in India*" dated June 2023 issued by CRISIL, which is exclusively prepared for the purposes of the Offer and is commissioned and paid for by the Company.

15. Consent letter dated July 14, 2023 issued by CRISIL Market Intelligence and Analytics (MI&A), a division of CRISIL Limited, with respect to the CRISIL Report.

16. 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.

17. Scheme of amalgamation under Section 230 to 232 of the Companies Act, 2013, among Flair Distributor Private Limited and our Company, as approved by the NCLT, Mumbai Bench pursuant to an order dated February 17, 2023.

18. Appointment letter of our Chairman and Whole-time Director, Mr. Khubilal Jugraj Rathod, dated June 10, 2023.

19. Appointment letter of our Managing Director, Mr. Vimalchand Jugraj Rathod, dated September 4, 2017, as amended on April 1, 2022 and October 1, 2022.

20. Appointment letters of our Whole-time Directors (in case of Mr. Mohit Khubilal Rathod and Mr. Sumit Rathod, each dated April 1, 2022 and in case of Mr. Rajesh Khubilal Rathod, dated September 4, 2017, as amended on April 1, 2022).

21. Consents of the BRLMs, the Registrar to the Offer, the Syndicate Members, Bankers to the Company, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s) and Sponsor Banks, Monitoring Agency, the legal counsel to the Company as to Indian law, our Directors and the Company Secretary and Compliance Officer, to act in their respective capacities.

22. Certificate dated July 14, 2023 from the Statutory Auditors, with respect to our key performance indicators.

23. Certificate dated July 14, 2023 from the Statutory Auditors, with respect to our utilization of loans.

24. Certificate dated July 14, 2023 from the Statutory Auditors, with respect to our working capital requirements.

25. Tripartite Agreement dated July 9, 2018 among our Company, NSDL and the Registrar to the Offer.

26. Tripartite Agreement dated July 3, 2018 among our Company, CDSL and the Registrar to the Offer.

27. Due diligence certificate dated July 14, 2023 addressed to the SEBI from the BRLMs.

28. 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

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: **Mr. Khubilal Jugraj Rathod**

Chairman and Whole-time Director

Date: July 14, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: **Mr. Vimalchand Jugraj Rathod**

Managing Director

Date: July 14, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Name: **Mr. Rajesh Khubilal Rathod**

Whole-time Director

Date: July 14, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: **Mr. Mohit Khubilal Rathod**

Whole-time Director

Date: July 14, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: **Mr. Sumit Rathod**

Whole-time Director

Date: July 14, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: **Mr. Punit Saxena**

Independent Director

Date: July 14, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: **Mr. Rajneesh Bhandari**

Independent Director

Date: July 14, 2023

Place: Jaipur

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: **Mr. Bishan Singh Rawat**

Independent Director

Date: July 14, 2023

Place: Dehradun

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: **Mr. Manoj Vinod Lalwani**

Independent Director

Date: July 14, 2023

Place: Dubai, United Arab Emirates

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: **Ms. Sheetal Bhanot Shetty**

Independent Director

Date: July 14, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Name: **Mr. Mayur Dhansukhlal Gala**

Chief Financial Officer

Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Khubilal Jugraj Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY KHUBILAL JUGRAJ RATHOD

Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Vimalchand Jugraj Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY VIMALCHAND JUGRAJ RATHOD

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Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Nirmala Khubilal Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY NIRMALA KHUBILAL RATHOD

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Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Manjula Vimalchand Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY MANJULA VIMALCHAND RATHOD

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Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Rajesh Khubilal Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY RAJESH KHUBILAL RATHOD

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Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Mohit Khubilal Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY MOHIT KHUBILAL RATHOD

Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Sumit Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY SUMIT RATHOD

Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Sangita Rajesh Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY SANGITA RAJESH RATHOD

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Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Shalini Mohit Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY SHALINI MOHIT RATHOD

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Date: July 14, 2023

Place: Mumbai

DECLARATION

I, Sonal Sumit Rathod, hereby confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me, as a Selling Shareholder, and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements made by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY SONAL SUMIT RATHOD

Date: July 14, 2023

Place: Mumbai