



FLAIR WRITING INDUSTRIES LIMITED

IPO NOTE

November 2023

ISSUE HIGHLIGHTS

- Flair Writing Industries Limited (“Flair”) was incorporated on August 12, 2016. Flair is among the Top-3 players in the overall writing instruments industry with a revenue of ₹915.55 crore 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.
- Flair is also among the Top-2 organized players which have seen faster growth in revenue as compared to overall writing and creative instrument industry growth rate between Financial Year 2017 and 2023; they grew at a CAGR of approximately 14% during the same period.
- Company’s flagship brand “Flair” has enjoyed a market presence of over 45 years. They manufacture and distribute writing instruments including pens, stationery products and calculators. They have also diversified into manufacturing houseware products and steel bottles. In Financial Year 2023, Flair sold 130.36 crore units of pens, of which 97.53 crore units or 74.82% was sold domestically, and 32.83 crore units or 25.18% was exported globally.
- Flair had the largest distributor/dealer network and wholesale/retailer network, in the writing instruments segment in India, comprising approximately 7,700 distributors/dealers and approximately 315,000 wholesalers/retailers, as of March 31, 2023. They occupied a market share of 7.1% in the export of writing and creative instruments industry, in FY2023.
- Flair manufactures and distributes several brands in India and partner with various international brands in the writing instruments industry. Company’s products are sold under the “Flair” brand, their principal brands “Hauser” and “Pierre Cardin” and they have recently introduced “ZOOX” in India.
- The company also contract manufactures writing instruments as an OEM for export and for sale in India. They also provide customized corporate gifting products to their corporate customers.
- They 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. They offered 727 different products as of June 30, 2023.
- Flair manufactures pens and other products from 11 manufacturing plants located in Valsad, in Naigaon (near Mumbai); in Daman, Union Territory of Dadra and Nagar Haveli and Daman and Diu; and in Dehradun.

BRIEF FINANCIAL DETAILS*

(₹ IN CR)

	As at Jun'30,	As at Mar' 31,		
	2023 (03)	2023 (12)	2022 (12)	2021 (12)
Share Capital	46.69	46.69	23.35	23.35
Reserves	419.66	388.26	293.63	238.26
Net Worth as stated	470.16	437.99	319.86	264.65
Revenue from Operations	246.70	942.66	577.40	297.99
Revenue Growth (%)	-	19.47%	16.90%	-
EBITDA	52.34	183.51	97.57	23.00
EBITDA Margin (%)	21.21%	19.47%	16.90%	7.72%
Profit before Tax	42.95	158.80	73.45	2.14
Net Profit for the period	32.14	118.10	55.15	0.99
Net Profit Margin (%) as stated	13.03%	12.53%	9.55%	0.33%
EPS - Basic & Diluted (₹)	3.44 [^]	12.66	5.91	0.11
RONW (%) as stated	7.08% [^]	31.17%	18.87%	0.37%
Net Asset Value (₹) as stated	50.34	46.90	34.25	28.34
ROE (%) as stated	7.08% [^]	31.17%	18.87%	0.37%
ROCE (%) as stated	7.64% [^]	31.24%	17.41%	0.14%

Source: RHP, *Restated Consolidated; [^] not annualised; EPS, RONW and NAV for FY2022 and FY2021 calculated on increased capital.

BACKGROUND

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹292 Cr and Offer for Sale of Equity Shares aggregating upto ₹301 Cr

Issue summary

Issue size: ₹ 593 Cr

No. of shares: 20,590,270 – 19,506,578 Shares

Face value: ₹ 5/-

Price band: ₹ 288 – 304

Bid Lot: 49 Shares and in multiple thereof

Post Issue Implied Market Cap = ₹ 3,051 – 3,204 Cr

BRLMs: Axis Capital, Nuvama Wealth

Registrar: Link Intime India Pvt Ltd.

Issue opens on: Wednesday, 22nd Nov'2023

Issue closes on: Friday, 24th Nov'2023

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	30-11-2023
Refunds/Unblocking ASBA Fund	01-12-2023
Credit of equity shares to DP A/c	04-12-2023
Trading commences	05-12-2023

Issue break-up

	No. of Shares		₹ In Cr	% of Issue
	@Lower	@upper		
QIB	10,295,134	9,753,288	296.50	50%
NIB	3,088,541	2,925,987	88.95	15%
-NIB2	2,059,027	1,950,658	59.30	
-NIB1	1,029,514	975,329	29.65	
RET	7,206,595	6,827,303	207.55	35%
Total	20,590,270	19,506,578	593.00	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	49 Shares	686 Shares	3,332 Shares
Minimum Bid Lot Amount (₹)	₹14,896 [^]	₹2,08,544 [^]	₹10,12,928 [^]
No. of Applications for 1x	1,39,333 Applications	1,422 Applications	2,844 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre- issue	Post issue [~]	Postissue [^]
95,790,115	105,929,003	105,395,378

[~]@Lower price Band [^]@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoter	63.37%	51.73%
Promoters Group	34.12%	27.48%
Public - Other	2.51%	20.79%
Total	100.00%	100.00%

Company and Directors

The Company was incorporated as “Flair Writing Industries Private Limited”, on August 12, 2016. 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. Khubilal Jugraj Rathod, Vimalchand Jugraj Rathod, Rajesh Khubilal Rathod, Mohit Khubilal Rathod and Sumit Rathod are the Promoters of the company. The Promoters together hold an aggregate of 60,702,720 Equity Shares, aggregating to 63.37% of the pre-offer issued, subscribed and paid-up share capital of the company.

Brief Biographies of Directors

Khubilal Jugraj Rathod is the Promoter, Chairman and a Whole-time Director of the company. He has been a director since incorporation of the company, *i.e.*, since August 12, 2016. He has over 48 years of experience in the writing instruments industry.

Vimalchand Jugraj Rathod is the Promoter and Managing Director of the company. He has been a director since incorporation of the company. He has over 40 years of experience in the writing instruments industry.

Rajesh Khubilal Rathod is the Promoter and whole-time Director of the company. He has been a director since incorporation of the company. He has over 33 years of experience in the writing instruments industry.

Mohit Khubilal Rathod is the Promoter and Whole-time Director of the company. He has been a director since incorporation of the company. He has over 23 years of experience in the writing instruments industry.

Sumit Rathod is the Promoter and Whole-time Director of the company. He has been a director since incorporation of the company. He has over 15 years of experience in the writing instruments industry.

Punit Saxena is an Independent Director of the 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 the company with effect from March 18, 2023. He was previously associated with UTI Infrastructure, Technology and Services Ltd, Unit Trust of India, Jaipur Development Authority, Rajasthan State Industrial Development and Investment Corporation Ltd, Sujalam Construction Ltd and is currently a superannuated professional.

Rajneesh Bhandari is an Independent Director of the 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 the company with effect from May 4, 2022.

Bishan Singh Rawat is an Independent Director of the company. He was appointed as an independent director of the company for a period of 5 consecutive years with effect from August 9, 2018 and has been re-appointed for a period of 5 consecutive years with effect from August 9, 2023.

Manoj Vinod Lalwani is an Independent Director of the company. He was appointed as an independent director of the company with effect from March 18, 2023. He was previously associated with Nakoda Sales Corporation, Stylex International FZC and is currently a partner at J.K. Lalwani & Brothers.

Sheetal Bhanot Shetty is an Independent Director of the company. She was appointed as an independent director of the company with effect from March 24, 2023. She was previously associated with ESAB India Ltd, The Indian Hotels Co Ltd, Intrex India Ltd, IMS Health Information and Consulting Services India Pvt Ltd, Edelweiss Rural & Corporate Services Ltd.

Mayur Dhansukhlal Gala is the Chief Financial Officer of the company and has been associated with the company since June 1, 2017. He was appointed as the Chief Financial Officer of the company on August 9, 2018.

Vishal Kishor Chanda is the Company Secretary and Compliance Officer of the 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 the company on July 25, 2022 and was appointed as the Compliance Officer of the company on June 9, 2023.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Setting up the New Valsad Unit	55.99
• Funding capital expenditure of the company and the Subsidiary, Flair Writing Equipments Pvt Ltd (“FWEPL”)	86.75
• Funding working capital requirements of the company and the Subsidiaries, Flair Writing Equipments Pvt Ltd and Flair Cyrosil Industries Pvt Ltd (“FCIPL”)	77.00
• Repayment/pre-payment, in part or full, of certain borrowings availed by the company and their Subsidiaries, Flair Writing Equipments Pvt Ltd and Flair Cyrosil Industries Pvt Ltd	43.00
• General Corporate Purposes	[•]
Total	[•]

OFFER DETAILS

Fresh Issue		No. of Shares	WACA per Equity Share (in ₹)
Fresh Issue	₹ 292.00 Cr	Upto 10,138,888~ - 9,605,263^ Equity Shares	–
The Offer for Sale by:	₹ 301.00 Cr	Upto 9,901,316^ Equity Shares	
The Promoter Selling Shareholders:			
Khubilal Jugraj Rathod	₹ 51.40 Cr	Upto 1,784,721~ - 1,690,789^ Equity Shares#	4.59
Vimalchand Jugraj Rathod	₹ 39.65 Cr	Upto 1,376,735~ - 1,304,275^ Equity Shares#	4.59
Rajesh Khubilal Rathod	₹ 32.30 Cr	Upto 1,121,527~ - 1,062,500^ Equity Shares#	4.59
Mohit Khubilal Rathod	₹ 32.30 Cr	Upto 1,121,527~ - 1,062,500^ Equity Shares#	4.59
Sumit Rathod	₹ 32.30 Cr	Upto 1,121,527~ - 1,062,500^ Equity Shares#	4.59
The Promoter Group Selling Shareholders:			
Nirmala Khubilal Rathod	₹ 32.30 Cr	Upto 1,121,527~ - 1,062,500^ Equity Shares#	4.59
Manjula Vimalchand Rathod	₹ 32.30 Cr	Upto 1,121,527~ - 1,062,500^ Equity Shares#	4.59
Sangita Rajesh Rathod	₹ 16.15 Cr	Upto 560,764~ - 531,250^ Equity Shares#	4.59
Shalini Mohit Rathod	₹ 16.15 Cr	Upto 560,764~ - 531,250^ Equity Shares#	4.59
Sonal Sumit Rathod	₹ 16.15 Cr	Upto 560,764~ - 531,250^ Equity Shares#	4.59

(~ at ^ upper price band); # shares are rounded/adjusted to the nearest.

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue and Offer for shares, offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	60,702,720	63.37%	6,182,565	54,520,155	51.73%
Promoters Group	32,686,080	34.12%	3,718,750	28,967,330	27.48%
Total for Promoter and Promoter Group	93,388,800	97.49%	9,901,315	83,487,485	79.21%
Public	2,401,315	2.51%	9,605,263	21,907,893	20.79%
Total for Public Shareholders	2,401,315	2.51%	9,605,263	21,907,893	20.79%
Total Equity Share Capital	95,790,115	100.00%	19,506,578	105,395,378	100.00%

Details of Pre- IPO Placement of ₹ 73 Cr

The company has undertaken a Pre-IPO Placement of **2,401,315 Equity Shares** at a price of ₹ 304/- per share, aggregating to ₹ 73 crore as under:

Date of Allotment	Name of the Entity	No. of Equity Shares	Issue price (₹)	Amount (₹ Cr)
10-11-2023	Volrado Venture Partners Fund III - Beta	2,401,315	304	73.00

BUSINESS OVERVIEW

Flair Writing Industries Ltd (“**Flair**”) is among the Top-3 players in the overall writing instruments industry with a revenue of ₹915.55 crore 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. Flair is also among the Top-2 organized players which have seen faster growth in revenue as compared to overall writing and creative instrument industry growth rate, *i.e.*, while the industry grew at a compounded annual growth rate (“CAGR”) of 5.5% between Financial Year 2017 and 2023, they grew at a CAGR of approximately 14% during the same period.

Their flagship brand “**Flair**” has enjoyed a market presence of over 45 years. They have an extensive range of products across various price points and cater to a broad range of consumers, including students, professionals, and offices. They manufacture and distribute writing instruments including pens, stationery products and calculators. Leveraging on their manufacturing capabilities, and their existing customer base in the writing and creative instruments business, they have also diversified into manufacturing houseware products and steel bottles.

During the 3-month period ended June 30, 2023, Flair sold 34.43 crore units of pens, of which 27.92 crore units or 81.09% was sold domestically, and 6.51 crore units or 18.91% was exported globally, and in Financial Year 2023, Flair sold 130.36 crore units of pens, of which 97.53 crore units or 74.82% was sold domestically, and 32.83 crore 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, Flair had the largest distributor/dealer network and wholesale/retailer network, in the writing instruments segment in India, comprising approximately 7,700 distributors/dealers and approximately 315,000 wholesalers/retailers, as of March 31, 2023. They occupied a market share of 7.1% in the export of writing and creative instruments industry, in Financial Year 2023.

Flair manufactures and distributes several brands in India and due to their ability to manufacture quality products and their distribution and retail capabilities, they are able to partner with various international brands in the writing instruments industry. Company’s products are sold under the “**Flair**” brand, their principal brands “**Hauser**” and “**Pierre Cardin**” and they have recently introduced “**ZOOX**” in India.

- The brands “**Flair**”  and “**Hauser**”  offers mass-market and premium pen and stationery products,
- The brand “**ZOOX**”  focusses on mid-premium and premium writing instruments, and
- The “**Pierre Cardin**”  brand offers premium pen and stationery products.

The company also contract manufactures writing instruments as an OEM for export and for sale in India, which contributed 16.87%, 19.94%, 33.37% and 38.67% to their revenue from operations in the 3-month period ended June 30, 2023 and the Financial Years 2023, 2022 and 2021, respectively. They also provide customized corporate gifting products to their corporate customers.

Company’s product range includes a variety of pens (ball pens, fountain pens, gel pens, roller pens and metal pens), which is their 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. They 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. They offered 727 different products as of June 30, 2023.

The company 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 their Subsidiaries, FWEPL. The company intends 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. The company intends to leverage the strength of the “**Flair**” brand and their 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 their growth going forward. They have recently commenced manufacturing steel bottles through one of their Subsidiaries, FC IPL, in March 2023. The steel bottle industry in India is projected to grow at a CAGR of 14-16% between Financial Year 2023 and 2028. They have received a letter of intent from one of their key OEM customers with whom the company has a relationship of more than 15 years. One manufacturing line has been commissioned in the month of March 2023, and they intend on commissioning 2 more manufacturing lines during the 3rd quarter of Financial Year 2024 at their manufacturing plant in Valsad, Gujarat.

Flair manufactures 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 details of the production capacity, capacity utilization, effective production capacity and effective capacity utilization:

	As of and for the 3 months ended Jun'30, 2023	As of and for the Financial Year				
		2023	% change	2022	% change	2021
Production capacity (in Cr pieces)	51.75	202.37	9.07%	185.53	5.46%	175.92
Capacity utilization (in %)	77.59%	72.82%	24.67%	58.41%	73.74%	33.62%
Effective production capacity (in Cr pieces)	51.75	197.83	9.63%	180.45	3.08%	175.05
Effective capacity utilization (in %)	77.59%	74.49%	24.05%	60.05%	77.72%	33.79%

Company's management is led by the guidance of certain of their Promoters and the professional management team. Their Promoters have more than 4 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 their other brands and OEM business. They also have a professional management team which includes their Key Managerial Personnel and Senior Management. Their 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 their growth.

SALES AND DISTRIBUTION NETWORK

Company's products reach consumers through a diverse nationwide sales and distribution network, consisting of super-stockists, distributors, direct dealers, wholesalers, and retailers, which helps them better understand consumer preferences and receive market feedback. In addition to the company's distributor/dealer network, the company had 131 super-stockists in India (including their in-house super-stockist for the Mumbai region operated by the Flair Sporty division of the company), as of June 30, 2023, which were supported by 889 sales and marketing employees. Their relationship with their Top-5 super-stockists (in terms of their contribution to the revenue from operations for the 3-month period ended June 30, 2023 and the Financial Year 2023) averaged approximately 25 years. They had a retail distributor presence in 2,424 cities, towns, and villages in India, as of June 30, 2023. Besides traditional distribution channels, their products are also sold through modern retail outlets, as well as e-commerce platforms. As of June 30, 2023, they had 54 international distributors catering to a specific region or country. Their products were sold by them and their distributors in 77 countries as of June 30, 2023. The marketing and brand-building initiatives have a 2-fold aim of reaching consumers as well as their distribution partners.

REVENUE FROM OPERATIONS

Segment-wise Revenue from operations

Segment	3 months ended June 30,		Financial Year					
	2023		2023		2022		2021	
	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total
Writing instruments	239.50	97.08%	915.55	97.12%	556.02	96.30%	286.82	96.25%
Houseware products	3.76	1.53%	7.49	0.80%	0.38	0.06%	0.24	0.08%
Other*	3.44	1.39%	19.62	2.08%	21.00	3.64%	10.93	3.67%
Total	246.70	100.00%	942.66	100.00%	577.40	100.00%	297.99	100.00%

*Includes export incentives, scrap sales, credit notes, plastic granules, parts and publicity materials, among other things.

The revenue contribution based on geographical area:

Segment	3 months ended June 30,		Financial Year					
	2023		2023		2022		2021	
	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total
Sale of products (Domestic)	206.29	83.62%	747.82	79.33%	434.21	75.20%	182.40	61.21%
Sale of products (Exports)	38.37	15.55%	184.71	19.59%	134.56	23.31%	108.17	36.30%

The Pen Products-wise Revenue from Operations:

Brands	3 months ended June 30,		For the Financial Year		
	2023		2023	2022	2021
Flair pens	86.64		323.61	184.33	96.36
Hauser pens	55.03		193.00	76.04	33.49
Pierre Cardin pens	10.00		52.42	35.72	14.14
Others*	40.06		156.73	169.15	101.76
Total	191.73		725.76	465.24	245.76

* All other brands including the OEM brands

COMPANY PRODUCTS

Flair



Company's 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 Khubilal 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 certain Promoters, M/s. Flair Writing Instruments, which later got converted into the present Company in 2016.

As of June 30, 2023, company's product offering under the "Flair" brand comprised plastic and metal pens (ball pens, fountain pens, gel pens, roller pens and metal pens), which is their 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. Their 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 727 SKUs, as of June 30, 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 3-month period ended June 30, 2023 were the "Ezee-Click Ball Pen" and the "Woody Pen" and the Financial Year 2023 were the "Ezee-Click Ball Pen" and the "Writometer".

Hauser



The company is offering "Hauser" writing products since 2014. A predecessor entity, NPPI, a partnership firm which converted into FPPIPL and subsequently merged into the 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 June 30, 2023, their 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 3-month period ended June 30, 2023 were the “XO Ball Pen” and “XO Jumbo Ball Pen” and the Financial Year 2023 were the “XO Ball Pen” (with crossed sales of 2 crore units of pens in the month of March 2023) and the “Sonic Gel Pen”.

Pierre Cardin



Pierre Cardin Golden Eye Roller Pen



Pierre Cardin Lapaz Ball Pen



Pierre Cardin Image Ball Pen

The company is offering “Pierre Cardin” writing products since 2012 pursuant to a trademark assignment agreement dated December 10, 2012 between PCL S.A. and Flair Pens Ltd, a Group Company and a member of the Promoter Group. “Pierre Cardin” is a French brand. The company acquired certain “Pierre Cardin” trademarks from Flair Pens Limited on July 10, 2018. Previously, Flair Pens Ltd 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., the company has recently commenced the export of “Pierre Cardin” products to certain countries which is subject to payment of a commission.

As of June 30, 2023, the 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 3-month period ended June 30, 2023 were the “Golden Eye Ball Pen” and “Image Ball Pen” and the Financial Year 2023 were the “Golden Eye Roller Pen” and the “Lapaz Ball Pen”.

Other Brands

The company also offers products under their other brand “ZOOX”, a mid- premium category pen brand. They are also a distributor of “ZIG” pens of Japan in India.

The highest selling “ZOOX” products in terms of revenue for the 3-month period ended June 30, 2023 and the Financial Year 2023 were the “ZOOX F7” and the “ZOOX Y7”, which are shown below:



ZOOX F7



ZOOX Y7

The details relating to the highest selling products under “Flair”, “Hauser”, “Pierre Cardin” and “ZOOX” brands.

Product	Financial Year 2023	
	Units Sold (Nos. in Cr)	Revenue (₹ in Cr)
Flair		
Ezee-Click Ball Pen	10.16	33.19
Writometer	1.79	23.48
Hauser		
XO Ball Pen	18.33	95.30
Sonic Gel Pen	1.69	13.04

Product	Financial Year 2023	
	Units Sold (Nos. in Cr)	Revenue (₹ in Cr)
Pierre Cardin		
Golden Eye Roller Pen	0.02	2.45
Lapaz Ball Pen	0.03	2.27
ZOOX		
ZOOX F7	0.02	0.40
ZOOX Y7	0.01	0.19

Corporate Gifting

In the corporate gifting business, Flair offers writing instruments and other products such as keychains and notebooks, which they procure from external suppliers and customize according to the requirements of their customers, which are primarily corporates. For this purpose, they have dedicated laser engraving and multi-colour printing machines.

Houseware Products

As of June 30, 2023, company's product offering for their houseware products comprised casseroles, bottles, storage containers, serving solutions, cleaning solutions and basket and paper bins. The revenue from the houseware products segment in the 3-month period ended June 30, 2023 and the Financial Year 2023 was ₹3.74 crore and ₹7.15 crore which contributed 1.52% and 0.76%, respectively, to their revenue from operations during the same period. The company manufactures and distributes such products through one of their subsidiaries, FWEPL.



Steel Bottles

Flair offers steel bottles which comprise single and double vacuum layers and are available with suitable customisation in design and sizes. They have received a letter of intent from one of their key OEM customers with whom the company had a relationship of more than 15 years. 1 manufacturing line has been commissioned in the month of March 2023 and they intend on commissioning 2 more manufacturing lines during the 3rd quarter of FY2024. Out of the 3 lines, 2 lines are proposed to be dedicated to OEM customer and 1 line is proposed to be dedicated for manufacturing and sale in India and for exports under their brands.



MANUFACTURING FACILITIES

Company's facilities include 11 manufacturing plants in India, including 3 plants in Valsad, Gujarat ("Valsad Building-II", "Valsad Building-III" and "Valsad Building-IV"), 1 plant in Naigaon, Maharashtra ("Naigaon Unit-I"), 5 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 2 plants in Dehradun, Uttarakhand ("Dehradun Unit-I" and "Dehradun Unit-II"). While the company runs manufacturing operations from Valsad Building-II, their Subsidiary, FWEPL, operates Valsad Building-III and their Subsidiary, FCIPL, operates Valsad Building-IV.

The company owns 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.

Capacity Production and Utilization

(Pieces in Cr)

Manufacturing Facility	As of and for the period ended June 30,				As of and for the period ended March 31,											
	2023				2023				2022				2021			
	Installed Capacity	Effective Capacity	Capacity utilization	Effective Capacity	Installed Capacity	Effective Capacity	Capacity utilization	Effective Capacity	Installed Capacity	Effective Capacity	Capacity utilization	Effective Capacity	Installed Capacity	Effective Capacity	Capacity utilization	Effective Capacity
Naigaon, Maharashtra																
Unit-I	Not applicable as certain writing instruments and calculators are manually assembled at Naigaon Unit-I															
Daman, Dadra and Nagar Haveli and Daman and Diu																
Unit-II	9.36	9.36	8.88	8.88	36.60	36.60	8.31	8.31	30.50	30.50	4.94	4.94	30.50	30.50	2.63	2.63
Unit-III	4.60	4.60	8.62	8.62	18.00	18.00	7.71	7.71	16.78	16.78	4.87	4.87	16.78	15.91	2.39	2.52
Unit-IV	11.93	11.93	9.08	9.08	46.67	46.67	8.61	8.61	45.75	45.75	4.89	4.89	45.75	45.75	3.37	3.37
Agrawal Unit	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na
Unit-V	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na	Na
Dehradun, Uttarakhand																
Unit - I	6.24	6.24	8.76	8.76	24.40	24.40	8.58	8.58	24.40	24.40	6.74	6.74	24.40	24.40	2.80	2.80
Unit - II	4.88	4.88	8.76	8.76	19.06	19.06	8.67	8.67	18.85	18.85	8.51	8.51	18.85	18.85	6.30	6.30
Valsad, Gujarat																
Building II	9.48	9.48	5.68	5.68	37.06	37.06	4.70	4.70	37.06	37.06	7.10	7.10	33.55	33.55	3.29	3.29
Building III	5.27	5.27	3.65	3.65	20.59	16.05	3.91	5.01	12.20	7.12	3.25	5.57	6.10	6.10	3.17	3.17
Building IV	0.04	0.04	0.18	0.18	0.14	0.01	Nil	Nil	-	-	-	-	-	-	-	-

The production volumes of each of the manufacturing facilities (in aggregate):

(Pieces in Cr)

Manufacturing Facility	3 months period ended June 30,	Financial Year		
	2023	2023	2022	2021
Naigaon Unit-I	-	-	-	-
Daman Unit-II	8.31	30.40	15.06	8.03
Daman Unit-III	3.97	13.87	8.17	4.00
Daman Unit-IV	10.83	40.20	22.36	15.43
Daman Unit-V	-	-	-	-
Daman Agarwal Unit	-	-	-	-
Dehradun Unit-I	5.47	20.93	16.44	6.84
Dehradun Unit-II	4.27	16.53	16.05	11.88
Valsad Building-II	5.38	17.40	26.32	11.03
Valsad Building-III	1.92	8.04	3.97	1.93
Valsad Building-IV	Negligible	-	-	-
Total	40.16	147.37	108.37	59.14

INTELLECTUAL PROPERTY

The company owns the trademark in relation to the “Flair” brand and their rebranded corporate logo, “Flair” (word and device). They own certain “Hauser” trademarks, which were purchased by NPPI through the Hauser Brand Agreement in 2014. As of the date of this 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.

They acquired certain “Pierre Cardin” trademarks registered in India from Flair Pens Ltd, a Group Company and a member of the Promoter Group, on July 10, 2018. They have registered the trademarks in relation to their other in-house brand, “ZOOX”.

The 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 Ltd, each dated June 29, 2018. Pursuant to such agreements, M/s. Flair Writing Aids, M/s. Flair Pen, and Plastic Industries and Flair Pens Ltd, respectively, have agreed to sell 45 trademarks registered in India and 11 trademarks registered abroad and used in the company’s business to the company

for a nominal consideration. Currently, certain trademarks including “FLAIR (WORD)”, “FLAIR4U”, “FLAIR V2” and “FLAIR 3 ACTION” have been transferred in the company’s name and others are yet to be transferred in the company’s name.

Currently, the company has registered 151 trademarks in India. Further, they have filed 12 applications in India for registration. They have also registered certain trademarks in countries/territories such as the United States, the European Union, the United Kingdom, China, and Australia. Their applications in relation to certain trademarks including “BEAST” and “FLAIRFUN” are currently pending in India. **Additionally, they have also registered 56 designs in India** under the Designs Act, 2000. Further, they have filed an application for registration of 1 design, which is currently pending.

COMPETITIVE STRENGTHS

- Among the Top-3 players in the overall writing instruments industry in India



The revenue from the Top-5 and Top-10 domestic and overseas customers:

Segment	3 months ended June 30, 2023		Fiscal					
	2023		2023		2022		2021	
	Revenue ₹ Cr	% to Total Revenue	Revenue ₹ Cr	% to Total Revenue	Revenue ₹ Cr	% to Total Revenue	Revenue ₹ Cr	% to Total Revenue
Revenue from Top-5 domestic customers	55.80	22.62%	200.97	21.32%	169.52	29.36%	75.41	25.31%
Revenue from Top-10 domestic customers	75.77	30.71%	274.95	29.17%	209.92	36.36%	93.67	31.43%
Revenue from Top-5 customers (export)	18.29	7.41%	94.95	10.07%	71.50	12.38%	59.60	20.00%
Revenue from Top-10 customers (export)	25.11	10.18%	124.95	13.26%	90.09	15.60%	72.60	24.36%

- Diversified range of products across various price points catering to a wide spectrum of consumers

Flair has the most comprehensive product portfolio in the writing and creative instruments industry in India. They 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 their 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 **Flair offered 727 different products as of June 30, 2023.**

Details of the number of products offered by the company:

Brands	3 months ended June'30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
	Flair (pens)	254	250	237
Flair (creative products and other stationery)	135	128	128	90
Flair (calculators)	19	19	24	36
Hauser	133	121	113	122
Pierre Cardin	183	179	174	155
Zoox	3	2	-	-
Total	727	699	676	619

The company focuses on providing quality products to consumers, including students, professionals and offices. They offer products at prices ranging between ₹5 and ₹3,000. Company's goal is to cater to consumers in their 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 their brand presence in terms of product pricing, Flair focuses on competitive pricing and aggressive marketing for their Mass Segment and focus on brand building and product differentiation in their Mid-premium Segment and Premium Segment. In the 3-month period ended June 30, 2023 and FY2023, they launched 28 and 151 pen products, respectively, across various price points.

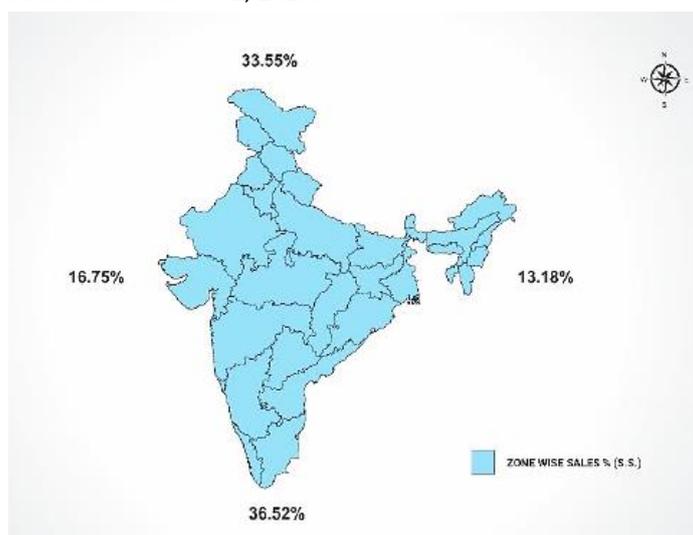
Leveraging on their manufacturing capabilities, and the existing customer base in the writing and creative instruments business, they have also diversified into manufacturing houseware products and steel bottles.

- **Largest pan-India distributor/dealer network and wholesale/retailer network in the writing instruments industry* and strong presence in targeted markets abroad**

Flair had the largest distributor/dealer network and wholesale/retailer network, in the writing instruments segment in India, comprising approximately 7,700 distributors/dealers and approximately 315,000 wholesalers/retailers, as of March 31, 2023. As of June 30, 2023, they had 131 super-stockists in India (including Flair Sporty), supported by their sales and marketing employees, and a retail presence in 2,424 cities, towns and villages in India. Their multi-tiered nationwide domestic sales and distribution network enables their products to reach a wide range of consumers and help to ensure effective market penetration across geographies.

Brands	3 months ended June'30, 2023	Financial Year		
		2023	2022	2021
Number of super-stockists	131	131	125	84
Number of distributors/dealers	7,754	7,754	7,307	5,638
Number of wholesalers/retailers	315,000	315,000	235,000	180,000

The zone wise sales of their products as of March 31, 2023:



- **Ability to partner with international brands in the writing instruments industry and one of the largest exporter of writing and creative instruments in India**

Flair has established long-term relationships with international companies for which they manufacture and distribute or a contract manufacturer. Their relationship with their 5 largest customers (in terms of their contribution to the total revenue from operations, located in U.S., United Arab Emirates, Yemen, Japan, and Colombia averaged approximately 15 years. Their Top-5 export countries were the U.S., United Arab Emirates, Yemen, Colombia and Japan, which contributed 61.19% of their revenue from export operations during the Financial Year 2023. As of June 30, 2023, they had relationships with 54 international distributors for the distribution and sale of their products abroad. As of June 30, 2023, their products were sold by them and their distributors in 77 countries.

- **High quality manufacturing at a large scale coupled with innovation capabilities**

As of June 30, 2023, Flair had 11 manufacturing plants which are equipped to customize manufacturing and products for their OEM and corporate customers. Company's emphasis on innovation and design has enabled them 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). Their 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)”.

- **Experienced Promoters supported by professional senior management team**

The company promoters have more than 4 decades of experience in the writing instruments industry and have been instrumental in the growth of their “Flair” brand as well as in the origination and acquisition of all their other brands and the OEM business. The Whole-time Directors and promoters have experience in the writing instruments industry and are responsible for international sales and marketing. They also place emphasis on the strength of their workforce. As at June 30, 2023, they had 5,899 full-time employees of which 3,318 were woman employees, which formed approximately 56% of the total workforce in the Company.

- **Historical track-record of strong financial performance with industry-leading profitability**

Flair has an established a track-record of strong and consistent financial performance, with their revenue from operations, profit after tax, EBITDA and ROCE 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.

Income generated from operations, as compared with certain competitors in the writing and creative instruments industry:

Operating income	CAGR				Financial Year						
	FY2020-2023	FY2017-2022	FY2020-2022	FY2017-2019	2023	2022	2021	2020	2019	2018	2017
	(₹ Cr)										
Hindustan Pencils	Na	(2)%	(11)%	6%	Na	774.05	488.87	967.70	941.23	829.51	844.28
DOMS	23%	12%	2%	22%	1,211.89	683.60	402.82	654.23	587.86	468.52	396.50
Flair*	9%	7%	(11)%	32%	942.66	577.40	297.99	725.15 617.16	732.39 633.47	573.67 516.82	418.98
Camlin	7%	5%	(10)%	2%	774.94	508.47	403.12	634.04	688.80	697.36	655.86
BIC Cello	Na	(7)%	(8)%	(5)%	Na	406.44	264.60	479.46	535.64	585.57	598.22
Linc	6%	0%	(6)%	2%	486.75	359.26	258.65	405.00	371.26	340.20	360.10
Luxor	Na	1%	(4)%	5%	Na	334.12	231.75	365.03	348.32	331.00	317.44
Reynolds	Na	70%	25%	183%	Na	298.73	192.28	192.66	166.92	88.93	20.91
Cello World#	Na	Na	Na	Na	1,796.70	1,359.18	1,049.46	Na	Na	Na	Na

* As per the agreement(s) entered between the company, Reynolds and FDPL. The 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 Red colour indicate operating income excluding the impact from the sale mentioned.

The comparison of PAT margin with competitors in the writing and creative instruments industry:

PAT Margin (%)	Financial Year						
	2023	2022	2021	2020	2019	2018	2017
Hindustan Pencils	Na	0.9%	(1.1)%	0.9%	0.9%	0.3%	0.5%
DOMS	8.5%	2.5%	(1.5)%	5.7%	5.6%	5.8%	6.1%
Flair	12.5%	9.6%	0.3%	5.2%	9.0%	8.6%	12.0%
Camlin	3.2%	(0.9)%	(3.6)%	0.7%	2.2%	1.4%	0.2%
BIC Cello	Na	(39.9)%	(81.4)%	(16.9)%	(34.0)%	(19.4)%	(25.1)%
Linc	7.7%	2.3%	0.0%	4.8%	1.5%	2.3%	4.8%
Luxor	Na	(1.5)%	(4.1)%	0.4%	1.4%	1.4%	1.0%
Reynolds	Na	5.0%	(1.1)%	(5.8)%	(10.0)%	(14.5)%	(67.3)%
Cello World#	15.9%	16.2%	15.8%	Na	Na	Na	Na

Values are as per RHP document dated October 21, 2023. The values mentioned are for overall business of the company which include consumer-ware, writing instruments and stationary and molded furniture and allied products; Values for Hindustan Pencils, DOMS, Flair, Cello World and Luxor are considered on consolidated basis and the rest on standalone basis.

The comparison of the profit after tax margin with competitors in the writing and creative instruments industry:

	Financial Year 2023		Financial Year 2022	
	ROCE (%)	ROE (%)	ROCE (%)	ROE (%)
Hindustan Pencils	Na	Na	9.1%	5.2%
DOMS	38.2%	33.8%	10.2%	6.9%
Flair	33.3%	31.6%	19.6%	19.2%
Camlin	12.7%	9.9%	(0.2)%	(2.0)%
BIC Cello	Na	Na	(37.6)%	(38.3)%
Linc	31.0%	23.5%	7.8%	5.9%

	Financial Year 2023		Financial Year 2022	
	ROCE (%)	ROE (%)	ROCE (%)	ROE (%)
Luxor	Na	Na	1.5%	(5.4)%
Reynolds	Na	Na	6.8%	6.2%
Cello World#	44.5%	134.43%	40.9%	Na

Values are as per the RHP filed on October 21, 2023. The values mentioned are for overall business of the company which include consumerware, writing instruments and stationary and molded furniture and allied products; Values for Hindustan Pencils, DOMS, Flair, Cello World and Luxor are considered on consolidated basis and the rest on standalone basis.

KEY BUSINESS STRATEGIES

- **Focus on growing the existing product portfolio and diversification of the product range**

The company's most brands are present across price segments (mass market and high value), the expansion within each segment has become crucial to tap demand at different price points. They aim to strengthen and expand their 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.

They intend to further expand their product offering and competitive advantage by diversifying their 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.

- **Emphasis on Mid-premium Segment and Premium Segment to increase margins**

The company intends to focus on increasing the sales of their Mid-premium Segment and Premium Segment products, particularly their "Flair", "Hauser" and "ZOOX" products which are priced between ₹20 and ₹100, and their "Pierre Cardin" products which are priced ₹100 onwards. Such products achieve better margins and improve the shelf visibility of their products and the positioning of the brands with consumers. In relation to "Pierre Cardin", they have taken initiatives such as a dedicated sales and marketing team and marketing efforts including change in packaging and display stands. Also, to enhance their corporate gifting business, they have installed laser engraving and multi-colour printing machines at their manufacturing plant located in Daman.

- **Continue to increase production capacity and enhance capacity utilization**

Company's manufacturing plants (other than their plant in Naigaon, Maharashtra) had a combined production capacity of 51.75 crore pieces per quarter and 202.37 crore pieces per annum, as of June 30, 2023, and March 31, 2023, respectively, and a capacity utilization of 77.59% and 72.82% in the 3-month period ended June 30, 2023, and FY2023, respectively.

The company aims to develop innovative technology and focus on innovative designing and automation across all segments that will allow them to lead in the writing and creative instruments market. They also intend to further improve their capacity utilization and to actively manage their operating costs through the introduction of automatic and semi-automatic assembly and packing machines and upgrade their existing machinery and purchase new machinery.

- **Strengthening presence in key geographies along with strategically expanding exports**

The company intends to leverage their leading position as an award-winning exporter of writing instruments from India to increase penetration in existing markets abroad by expanding their distribution network and to enter new markets. They have established long-term relationships with international companies for which they manufacture and distribute or are a contract manufacturer and their relationship with their 5 largest customers located in U.S., United Arab Emirates, Yemen, Japan, and Colombia averaged approximately 15 years.

Also, they seek to expand the market for their products particularly in markets where they can extract higher margins such as Africa, Central America, and South America. They also aim to further increase sales of the "Pierre Cardin" and "ZOOX" brands of pens in the Middle East markets.

- **Deepen the sales and distribution network**

Flair intends to expand their 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.

They also intend to increase their interaction with the super-stockists, distributors, direct dealers, wholesalers, and retailers, including through their sales and marketing employees and the use of information technology platforms.

- **Further strengthen the brands**

The company has consistently allocated significant resources to establish and strengthen their flagship brand "Flair" and their principal brand "Hauser" through various marketing initiatives. They aim to further increase the visibility of their "Flair"

Creative” range of products and the “Pierre Cardin” and “ZOOX” brands, in India and globally. They 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. They have launched advertisement campaigns through celebrity endorsements for their “Flair” and “Hauser” brands.

INDUSTRY OVERVIEW

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 Stationery Pvt Ltd [^]	✓	✓	✓			
William Penn Pvt Ltd	✓	✓				

[^] Unomax Stationery Pvt Ltd is a subsidiary of Cello World Limited operating in writing and creative instrument industry

COMPETITION

The company operates 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.

The key competitors in the key business categories:

Business Segment	Key Competitors
Writing and Creative Instruments	BIC Cello, Camlin, DOMS, Hindustan Pencils, Linc, Luxor and Reynolds
Homeware Industry	Borosil Ltd, Cello Household Products Pvt Ltd, Hamilton Housewares Pvt Ltd and Placero International Pvt Ltd

Company’s competitors also include Pentel Stationery (India) Pvt Ltd, a Group Company and a Promoter Group entity of the company. Certain other entities that previously manufactured “Flair” and other brands of writing instruments including Flair Pens Ltd, Styphen Manufacturing Co (India) Pvt Ltd, 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 the company undertaking to not compete with the company.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	Consolidated / Standalone	Face Value	Closing Price as on Oct’18, 2023	Revenue from Operation for Fiscal 2023 (₹ in Cr)	EPS		NAV	P/E	RoNW (%)
					Basic	Diluted			
Flair Writing Industries Ltd	Consolidated	5	[•]	942.66	12.66	12.66	46.90	[•]	31.17%
Linc Limited	Consolidated	10	842.60	486.76	25.15	25.15	119.17	33.50	23.37%
Kokuyo Camlin Ltd	Consolidated	1	138.65	774.94	2.44	2.44	26.18	56.82	9.74%
Cello World Ltd*	Consolidated	5	Na	1,796.70	13.65	13.17	56.84	Na	23.17

Source: RHP; *Cello World Ltd was listed on November 6, 2023.

Comparison with Listed Industry Peers
(in ₹ Cr, unless otherwise specified)

	As of and for the 3 month period ended June 30, 2023			As of and for the FY 2023			As of and for the FY 2022		
	Flair Writing	Linc	Kokuyo Camlin	Flair Writing	Linc	Kokuyo Camlin	Flair Writing	Linc	Kokuyo Camlin
Number of pens sold (cumulative for the FY)	34.43	Na	Na	130.36	76.01	Na	96.43	Na	Na
Number of Distributors/dealers	7,754	Na	Na	7,754	2,650	1,500	7,307	Na	Na
Number of Wholesalers/retailers	315,000	Na	Na	315,000	240,000	300,000	235,000	Na	Na
Revenue from Operations	244.70	111.88	235.79	92.66	486.76	774.94	577.40	354.96	508.47
Revenue from Domestic Operations	206.77	Na	Na	749.99	Na	Na	436.81	279.36	Na
Revenue from Export Operations	39.93	Na	Na	192.67	Na	Na	140.59	75.60	Na
Gross Material Margin	124.59	46.39	88.19	433.89	192.17	286.71	269.21	117.47	196.01
EBITDA	52.34	13.15	24.22	183.51	61.36	54.37	97.57	21.53	16.51
EBITDA Margin	21.21%	11.75%	10.27%	19.47%	12.61%	7.02%	16.90%	6.06%	3.25%
PAT	32.14	7.39	18.37	118.10	37.40	24.45	55.15	8.13	(4.73)
PAT Margin (%)	13.03%	6.60%	7.79%	12.53%	7.68%	3.15%	9.55%	2.29%	(0.93)
Gross Material Margin (%)	50.50%	41.46%	37.40%	46.03%	39.48%	37.00%	46.62%	33.10	38.55%
ROCE Ratio (%)	7.64%	Na	Na	31.24%	29.12%	11.94%	17.41%	6.00%	(0.38)%
Return on Equity Ratio (%)	7.08%	4.08%	Na	31.17%	23.37%	9.74%	18.87%	5.86%	(1.96)%
Trade Receivable Days	68	Na	Na	61	27	31	83	36	134
Inventory Days	165	Na	Na	143	89	107	187	86	218
Trade Payable Days	49	Na	Na	41	49	45	54	53	124
Working Capital Cycle (Days)	184	Na	Na	163	67	93	216	69	229
Debt to Equity Ratio	0.27	Na	Na	0.26	0.01	0.21	0.36	0.02	0.29
Net Debt/ EBITDA	2.42*	Na	Na	0.63	(0.19)	0.87	1.29	0.15	3.83
Sales and Marketing Expenditure Ratio (%)	2.10%	Na	Na	1.48%	Na	Na	0.89%	Na	Na
EPS (in ₹)	3.44*	4.97	1.83	12.66	25.15	2.44	5.91	5.47	(0.47)

** not annualised*
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