

Date: January 30, 2025

Mr. Vimalchand Jugraj Rathod

Director

Flair Writing Industries Limited

Flair House, Plot No. A/64,
Cross Road-A, Marol Ind. Area, MIDC,
Andheri (East), Mumbai,
Maharashtra- 400093, India

Dear Sir,

Re: Final Monitoring Agency report of Flair Writing Industries Limited for Q3 FY2025

Please refer to agreement dated November 15, 2023, appointing ICRA Limited as the Monitoring Agency (MA) for Flair Writing Industries Limited's IPO Issue.

After due consideration, ICRA has prepared the attached final Monitoring Agency report as per SEBI (Issue of Capital and Disclosure Requirements) Regulations for Q3 FY2025.

Please note that the Monitoring Agency report does not constitute a commentary on the quality of the objects of the issue, appropriateness or reasonableness of costs or spending by Flair Writing Industries Limited against any objects / heads or assurance on outcome of such spending.

We thank you for your kind cooperation extended during the course of Q3 FY2025. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards

For ICRA Limited

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NARANG

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Parul Goyal Narang

Vice President & Head- Process Excellence

Parul.goyal@icraindia.com

MONITORING AGENCY REPORT**Name of the Issuer:** Flair Writing Industries Limited**For quarter ended:** December 31, 2024**Name of the Monitoring Agency:** ICRA Limited**(a) Deviation from the objects of the issue:**

No deviation - The utilization of the issuance proceeds is in line with the objects of the issue.

(b) Range of deviation:*Not Applicable***Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that we do not perceive any conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer. We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

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Parul Goyal Narang
Vice President & Head-Process Excellence

Analyst: Adrita Sadhukhan**Quality Analyst:** Parul Narang

1. Issuer Details

Name of the Issuer: Flair Writing Industries Limited

Name(s) of the promoters:

Promoters
<i>Khubilal Jugraj Rathod</i>
<i>Vimalchand Jugraj Rathod</i>
<i>Mohit Khubilal Rathod</i>
<i>Rajesh Khubilal Rathod</i>
<i>Sumit Rathod</i>

Source: BSE

Industry/ sector to which it belongs:

- Stationary Sector

2. Issue Details

Issue Period: Opening date- November 22, 2023

Closing date- November 24, 2023

Type of Issue: Initial Public Offer

Type of specified securities: Equity shares

IPO Grading, if any: No credit rating agency registered with SEBI has been appointed in respect of obtaining grading for the offer.

Issue Size (Rs. Crore): INR 593.000 Crore

With OFS portion: INR 593.000 Crore

Excluding OFS portion: INR 292.000 Crore.

Net proceeds: INR 273.037 Crore (Excluding Issue Related Expenses)

3. Details of the arrangement made to ensure the monitoring of issue proceeds.

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	<i>Statutory Auditors certificate</i> <i>-Confirmation from management</i> <i>-Bank statement of the proceeds account</i>	<i>No deviation observed.</i>	
Whether shareholder approval has been obtained in case of material deviations [#] from expenditures disclosed in the Offer Document?	Not Applicable	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Whether the means of finance for the disclosed objects of the issue has changed?	No	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Is there any major deviation observed over the earlier monitoring agency reports?	No	<i>No deviation observed</i>	<i>No comments</i>	
Whether all Government/ statutory approvals related to the object(s) have been obtained?	Not Applicable	<i>As confirmed by the Issuer's management</i>	<i>Not Applicable</i>	
Whether all arrangements pertaining to technical assistance/ collaboration are in operation?	Not Applicable	<i>As confirmed by the Issuer's management</i>	<i>Not Applicable</i>	
Are there any favorable events improving the viability of these object(s)?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	
Are there any unfavorable events affecting the viability of the object(s)?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	
Is there any other relevant information that may materially affect the decision making of the investors?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	

[#] Where material deviation is defined to mean:

(a) *Deviation in the objects or purposes for which the funds had been raised.*

(b) Deviation in the amount of funds utilized by more than 10% of the amount specified in the offer document.

4. Details of the object(s) to be monitored.

(i) Cost of object(s)

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Original cost (as per the offer document) [Rs. Crore]	Revised cost [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Setting up the New Valsad Unit	Prospectus	55.993	Not Applicable	No comments	-	-	-
2	Funding capital expenditure for Company and Subsidiary	Prospectus	86.748	Not Applicable	No comments	-	-	-
3	Funding working capital requirements for Company and Subsidiaries	Prospectus	77.000	Not Applicable	No comments	-	-	-
4	Repayment/pre-payment, in part or full, of certain borrowings availed by Company and Subsidiaries,	Prospectus	43.000	Not Applicable	No comments	-	-	-
5	General Corporate Purpose	Prospectus	10.296	Not Applicable	No comments	-	-	-
Total			273.037					

(ii) Progress in the object(s)

S.N.	Item Head*	Source of information, certifications considered by the Monitoring Agency for the preparation of the report	Amount as proposed in the offer document [Rs. Crore]	Amount utilized [Rs. Crore]			Total unutilized amount [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors	
				As at the beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Setting up the New Valsad Unit	- Statutory Auditors certificate -Bank statement of the proceeds account/corresponding Bank statement	55.993	1.389	3.805	5.194	50.799	Some payments have been made before the maturity of FDR(s) and have been duly recouped on maturity	-	-
2	Funding capital expenditure for Company and Subsidiary	Same as above	86.748	33.964	12.246	46.210	40.538	Some payments have been made before the maturity of FDR(s) and have been duly recouped on maturity	-	-
3	Funding working capital requirements for Company and Subsidiaries	Same as above	77.000	72.083	4.917	77.000	Nil	Some payments have been made before the maturity of FDR(s) and have been duly recouped on maturity	-	-
4	Repayment/pre-payment, in part or full of certain borrowings availed by Company and Subsidiaries,	Same as above	43.000	43.000	-	43.000	Nil	No comments	-	-
5	General Corporate Purpose	Same as above	10.296	10.161	-	10.161	0.135	No comments	-	-



ICRA

December 2024

Total	273.037	160.597	20.968	181.565	91.472	
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(iii) Deployment of unutilized proceeds

S.N.	Type of instrument and name of the entity invested in	Amount invested [Rs. Crore]	Maturity date	Earning [Rs. Crore]	Return on Investment [%]	Market Value as at the end of quarter [Rs. Crore]
1	Fixed deposit with Axis Bank	5.000	06 th March 2025	0.024	6.50%	5.024
2	Fixed deposit with Axis Bank	5.000	02 nd April 2025	0.024	6.50%	5.024
3	Fixed deposit with Axis Bank	5.000	5 th April 2025	0.022	6.00%	5.022
4	Fixed deposit with Axis Bank	6.579	17 th September 2025	0.028	5.75%	6.607
5	Fixed deposit with Axis Bank	25.000	03 rd June 2025	0.133	7.20%	25.133
6	Fixed deposit with Axis Bank	15.000	27 th December 2025	0.043	7.40%	15.043
7	Fixed deposit with Axis Bank	4.893	07 th December 2025	0.025	7.30%	4.918
8	Fixed deposit with Axis Bank	25.000	07 th December 2025	0.130	7.40%	25.130
Total		91.472		0.429		91.901

Source: As certified by Jeswani & Rathore

(iv) Delay in the implementation of the object(s)

Object(s)	Completion date		Delay [Number of days or months]	Comments of the Issuer's Board of Directors	
	As per the offer document	Actual		Reason for delay	Proposed course of action
<i>Setting up the New Valsad Unit</i>	FY25 - FY26	On Schedule	N.A.	-	-
<i>Funding capital expenditure for Company and Subsidiary</i>	FY24 - FY25	On Schedule	N.A.	-	-
<i>Funding working capital requirements for Company and Subsidiaries</i>	FY24 - FY25	On Schedule	N.A.	-	-
<i>Repayment/pre-payment, in part or full, of certain borrowings availed by Company and Subsidiaries,</i>	FY24	On Schedule	N.A.	-	-
<i>General Corporate Purpose</i>	FY24 - FY25	On Schedule	N.A.	-	-

Source: As confirmed by the Issuer's management

5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document

S.N.	Item Head	Amount [Rs. Crore]	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
1	Acquisitions or strategic initiatives (Q4FY2024)	8.244	- Statutory Auditors certificate -Bank statement of the proceeds account	No Comments	-
2	Acquisitions or strategic initiative (Q1FY2025)	0.209	- Statutory Auditors certificate -Bank statement of the proceeds account	No Comments	-
3	Brand Building Exercises (Q1FY2025)	1.708	- Statutory Auditors certificate -Bank statement of the proceeds account	No Comments	-
Total		10.161			