

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT. THIS DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES...

CRAYONS ADVERTISING LIMITED



Our Company was originally incorporated on July 03, 1986 as a Private Limited Company as "Crayons Advertising and Marketing Private Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana...

Registered Office: NSIC Complex, Maa Anandmayee Marg, Okhla Industrial Estate, Phase- III New Delhi 110020. Tel: +91- 9654993221; E-mail: info@crayonsnetwork.com; Website: www.thecrayonsnetwork.com; CIN: US2109DL1969PLC024711



QR Code to view the Red Herring Prospectus

OUR PROMOTERS: MR. KUNAL LALANI, MRS. VIMI LALANI AND M/S VIMI INVESTMENTS AND FINANCE PVT LTD

THE ISSUE

PUBLIC ISSUE OF 64,30,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF CRAYONS ADVERTISING LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [x] PER EQUITY SHARE AGGREGATING TO ₹ [x] LAKH (THE "FRESH ISSUE")...

- QIB PORTION: NOT MORE THAN 50% OF THE NET ISSUE
• RETAIL PORTION: NOT LESS THAN 35% OF THE NET ISSUE
• NON-INSTITUTIONAL PORTION: NOT LESS THAN 15% OF THE NET ISSUE
• MARKET MAKER PORTION: UPTO 3.22,000 EQUITY SHARES OR 5% OF THE ISSUE

PRICE BAND: ₹ 62.00 TO ₹ 65.00 PER EQUITY SHARE OF FACE VALUE ₹ 10. EACH
THE FLOOR PRICE IS 6.2 TIMES OF THE FACE VALUE AND
THE CAP PRICE IS 6.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES

PROPOSED LISTING:

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Emerge platform of National Stock Exchange India Limited ("NSE Emerge")...

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI): Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the Red Herring Prospectus has been filed with SEBI...

DISCLAIMER CLAUSE OF NSE EMERGE (THE DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE...

CREDIT RATING: This being the Issue of Equity Shares, no credit rating is required.

DEBENTURE TRUSTEES: As this is an Issue of Equity Shares, the appointment of Trustees is not required.

PO GRADING: Since this Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading Agency.

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of Company at http://thecrayonsnetwork.com/investors.html or website of the BRLM at www.covindia.com or NSE at https://www.nseindia.com and is expected to be available on the website of SEBI at www.sebi.gov.in

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company, Crayons Advertising Limited, Telephone: +91- 9654993221, Registered Office of the Company at NSIC Complex, Maa Anandmayee Marg, Okhla Industrial Estate, Phase- III New Delhi 110020, BRLM Corporate CapitalVentures Private Limited, Telephone: +91-11-41824068 and at the selected locations of Registered Brokers, RTAs and CDPS participating in the Issue. Bid-cum-application Forms will also be available on the websites of NSE and the designated branches of SCSSBs, the list of which is available at websites of the stock exchanges and SEBI.

Table with 2 columns: BID / ISSUE PROGRAM, ANCHOR INVESTOR BIDDING DATE: Friday, May 19, 2023, BID/ISSUE OPENS ON: Monday, May 22, 2023, BID/ISSUE CLOSURES ON: Thursday, May 25, 2023

\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs on any Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI (ICDR) Regulations. In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three (3) additional Working Days after such revision of the Price Band...

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1967, as amended ("SCRR") read with Regulation 31 of the SEBI (ICDR) Regulations. The Issue is being made for at least 25% of the post-issue paid-up Equity Share Capital of our Company. The Issue is being made through the Book Building Process in accordance with Regulation 23(1) of the SEBI (ICDR) Regulations...

Anchor Investors: Anchor Investors are defined as those investors who subscribe to the Issue through the Bid/Issue Period on a proportionate basis to qualified institutional buyers. Anchor Investors may be allocated a proportionate basis to qualified institutional buyers...

RISKS TO INVESTORS:

- \* The Merchant Banker associated with the Issue has handled (Six) public issues in the past three years out of which 1 of the Issues closed below the Issue Price on Listing date.
\* Average cost of acquisition of Equity Shares for the Promoters as at the date of the Red Herring Prospectus is: ₹ 14.30

Table with 3 columns: Name of the Promoter, No. of Shares held, Average cost of Acquisition (INR). Rows include Mr. Kunal Lalani, Mrs. Vimi Lalani, M/s Vimi Investment and Finance Private Limited.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 62 (Sixty Two) times the face value at the lower end of the Price Band and 6.5 times the face value at the higher end of the Price Band...

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

- High-end clients,
- Long term relationship with clients and repeat & diversified business,
- Experienced Promoters (experience of over 38 years),
- Versatile, Technically sound and young operation team, which understands creativity at its excellence,
- Well versed and equipped with advance technology,
- Track record of growth and profitability.

For further details, see "Risk Factors" and "Our Business" on pages 21 and 98, respectively.

Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For details, see "Financial Information" on pages 145. Investors should evaluate our Company and form their own conclusions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

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

Table with 4 columns: Year ended, Basic EPS (INR), Diluted EPS (INR), Weight. Rows for FY 2019-20, FY 2020-21, FY 2021-22, Weighted Average, December 31, 2022.

Note: The ratios have been computed as under:
1. Basic and diluted EPS: profit for the year attributable to equity shareholders of the Company divided by the weighted average number of equity shares outstanding during the period; basic and diluted EPS are computed in accordance with Ind AS 33 - Earnings per share plus the bonus issue in current financial year.
2. 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
3. Basic and diluted EPS for the Nine months period ended December 31, 2022 are not annualized.

2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹ 62 to ₹ 65 per Equity Share

Table with 3 columns: Particulars, P/E at the lower end of the price band (no. of times), P/E at the higher end of the price band (no. of times). Rows for a) P/E Ratio based on Basic and Diluted EPS of ₹ 0.9 as at March 31, 2022, b) P/E Ratio based on Weighted Average EPS of ₹ 0.58.

3. Industry Price / Earning (P/E) Ratio

Table with 2 columns: Particulars, P/E Ratio. Rows for Highest, Lowest, Average Industry P/E.

(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "Comparison with listed industry peers"

(2) Source: Respective website of the Company and the Indian Financial Year 2022 information on industry peer on a standstill basis.
(3) There are three listed peer Company namely Infosys Limited, Vertice Advertising Limited and Pressman Advertising Limited. Thus, their data are used for comparison.

Note: a) Equity share capital + Reserves and surplus including: Securities Premium, General Reserve and surplus in statement of profit and loss;
b) Net profit after tax as restated for calculating basic EPS;
c) Weighted average number of equity shares outstanding at the end of the period or year.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

CO Corporate CapitalVentures Private Limited, B1-E13, First Floor, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi - 110044. Tel: +91 11 41824068. E-mail: info@covindia.com

REGISTRAR TO THE ISSUE

Skyline SKYLINE FINANCIAL SERVICES PRIVATE LIMITED, B1-E13, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020. Tel No: +91-11-40450193-97. Fax No: +91-11-28912853. E-mail: info@skylinereg.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

CRAYONS ADVERTISING LIMITED, Mr. Gagan Mahajan, NSIC Complex, Maa Anandmayee Marg Okhla Industrial Estate, Phase- III New Delhi 110020. Telephone: +91 - 9654993221. E-mail: cg@thecrayonsnetwork.com

Table with 3 columns: Year ended, RoNW (%), Weight. Rows for FY 2019-20, FY 2020-21, FY 2021-22, Weighted Average, December 31, 2022.

Return on net worth (%) Net worth as restated, including share capital and reserves and surplus, as stated at the end of the year. Net worth Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

Table with 2 columns: Particulars, Rs. Rows for December 31, 2022, As of March 31, 2022, As of March 31, 2021, As of March 31, 2020.

NAV notes: At the lower end of the price band of ₹ 62/-: 36.75%, At the higher end of the price band of ₹ 65/-: 37.54%, Issue price per share: [x]

Net asset value per equity share Net worth as restated, including share capital and reserves and surplus, as stated at the end of the year. No. of equity shares outstanding at the end of the year.

Basic earnings per share (Rs.) Weighted average number of equity shares outstanding at the end of the period or year.

6. Comparison of Accounting Ratios with Industry Peers

Table with 7 columns: Sr. No., Name of Company, Face Value (₹), Total income (₹ in Lakhs), Basic EPS (₹), Diluted EPS (₹), P/E (based on Diluted EPS) (₹), RoNW (%), NAV per share (₹). Rows for Crayons Advertising Limited, Peer Group (Atria (India) Limited, Vertice Advertising Limited, Pressman Advertising Limited).

Note: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the filings made with stock exchanges available on www.bseindia.com and www.nseindia.com for the Financial Year ending March 2022.

7. The Issue Floor Price is ₹ 62.00 which is 6.20 times of the Face Value of the Equity Shares and the Issue Cap Price is ₹ 65.00 which is 6.50 times of the face value.

The price band/floor/pricelimit price will be determined by the issuer in consultation with the BRLM, on the basis of book-building on the basis of assessment of the market demand from investors for the Equity Shares and shall be justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "Risk Factors", "Our Business" and "Financial Information" on pages 21, 86 and 145, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" and you may lose all or part of your investments.

For further details, please see the chapter titled "Basis for Issue Price" beginning on page 62 of the RHP.

RISK IN RELATION TO THE FIRST ISSUE

Bidders / Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidders/Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other applications related to an Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository/Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

Bidders / Applicants should ensure that PAN, DP ID and Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see "History and Certain Corporate Matters" on page 108 of the Red Herring Prospectus and Clause 11 of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 276 of the Red Herring Prospectus.

LIABILITY OF MEMBERS AS PER MEMORANDUM OF ASSOCIATION: The Liability of the members of the Company is Limited.

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: The authorised share capital of the Company is ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each. The reserved, subscribed and paid-up share capital of the Company before the Issue is ₹ 18,00,00,000 divided into 1,80,00,000 Equity Shares of ₹ 10 each. For details of the Capital Structure, see "Capital Structure" on the page 47 of the Red Herring Prospectus.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed by them at the time of signing of the Memorandum of Association of our Company:

Table with 2 columns: Name of the subscriber, No. of shares subscribed. Rows for Mr. Kunal Lalani (10 Equity Shares), Mr. Hulus Mal Lalani (10 Equity Shares).

Details of the main objects of the Company as contained in the Memorandum of Association, see "History and Certain Corporate Matters" on page 108 of the Red Herring Prospectus. For details of the share capital and capital structure of the Company see "Capital Structure" on page 47 of the Red Herring Prospectus.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to lose the entire price paid in ASBA form and assigned prospectus and also please refer to the section "Basis for Issue Price" beginning on page 62 of the RHP. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue 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 the Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 21 of the Red Herring Prospectus.

ASBA Simple, Safe Smart way of Application-Make use of it!! UPINow available in ASBA for Retail Individual Investors (RII) Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPIN is now available in ASBA for RIIs applying through Registered Brokers, DPAs & RTAs. Also has the option to submit the application directly to the ASBA Bank (SCSSBs) or to use the facility of instant online trading, demat and bank account.

ESGROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: YES Bank Limited. LINK TO DOWNLOAD ABRIDGED PROSPECTUS: http://thecrayonsnetwork.com/investors.html

UPI: Retail Individual Bidders can also Bid through UPI Mechanism.

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

On behalf of Board of Directors For Crayons Advertising Limited Sd/- Mr. Gagan Mahajan Company Secretary & Compliance Officer Date: May 15, 2023

Disclaimer: Crayons Advertising Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the Registrar of Companies, Delhi and Haryana on May 11, 2023 and thereafter with SEBI and the Stock Exchange. The RHP is available on the website of Company at http://thecrayonsnetwork.com/investors.html or at website of BRLM at www.covindia.com or at website of NSE at https://www.nseindia.com or expected to be available on the SEBI website at www.sebi.gov.in. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the RHP including the section titled "Risk Factors" beginning on page 21 of the Red Herring Prospectus. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being issued and sold outside the United States to "foreign persons" in "foreign transactions" in reliance on Regulation "S" under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.

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CRAYONS ADVERTISING LIMITED



Our Company was originally incorporated on July 03, 1998 as a Private Limited Company as "Crayons-Advertising and Marketing Private Limited" vide Registration No. 24711 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Delhi and Hyderabad...



Please scan the QR code to view the Red Herring Prospectus

Registered Office: NSIC Complex, Mas Anandmayam Marg, Okhla Industrial Estate, Phase- III New Delhi 110020
Tel: +91 - 9654992321, E-mail: cs@crayonsnetwork.com, Website: www.crayonsnetwork.com, CIN: U52105DL1986PLC024711

Contact Person: Mr. Gagan Mahajan, Company Secretary and Compliance Officer

OUR PROMOTERS: MR. KUNAL LALANI, MRS. VIMI LALANI AND M/S VIMI INVESTMENTS AND FINANCE PVT LTD

THE ISSUE

PUBLIC ISSUE OF 64,30,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF CRAYONS ADVERTISING LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO ₹ [●] LAKH (THE "ISSUE") COMPRISING OF A FRESH ISSUE OF 64,30,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKH (THE "FRESH ISSUE") OF WHICH 3,22,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION")...

- QIB PORTION: NOT MORE THAN 50% OF THE NET ISSUE
RETAIL PORTION: NOT LESS THAN 35% OF THE NET ISSUE
NON-INSTITUTIONAL PORTION: NOT LESS THAN 15% OF THE NET ISSUE
MARKET MAKER PORTION: UPTO 3,22,000 EQUITY SHARES OR 5% OF THE ISSUE

PRICE BAND: ₹ 62.00 to ₹ 65.00 PER EQUITY SHARE OF FACE VALUE ₹ 10/- EACH
THE FLOOR PRICE IS 6.2 TIMES OF THE FACE VALUE AND
THE CAP PRICE IS 6.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES
BIDS CAN BE MADE FOR A MINIMUM OF 2,000 EQUITY SHARES AND IN MULTIPLES OF 2,000 EQUITY SHARES THEREAFTER

PROPOSED LISTING:

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Emerging platform of National Stock Exchange India Limited ("NSE Emerging")...

DISCLAIMER: The issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, and the Red Herring Prospectus has been filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document...

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DEBENTURE TRUSTEES: As this is an issue of Equity Shares, the appointment of Trustee(s) is not required.

PRO GRADING: Since this issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading Agency.

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the issue.

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-cum-application forms can be obtained from the Registered Office of the Company...

ANCHOR INVESTOR BIDDING DATE: Friday, May 19, 2023

Table with 2 columns: BID / ISSUE PROGRAM and BID/ISSUE OPENS ON. Shows dates for Monday, May 22, 2023 and Thursday, May 25, 2023.

\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations...

\*Our Company may, in consultation with the BRLM, consider closing the Bid Issue Period for QIBs one Working Day prior to the Bid Issue Closing Date...

In case of any revision in the Price Band, the Bid Issue Period shall be extended for at least three (3) additional Working Days after such revision of the Price Band...

The issue is being made in terms of Regulation 3 of the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations...

The issue is being made in terms of Regulation 12 of the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations...

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Table with 3 columns: Year ended, RoNW (%), Weight. Shows data for FY 2019-20, FY 2020-21, FY 2021-22, Weighted Average, and December 31, 2022.

Return on Net Worth (%) Net profit after tax as restated, attributable to the owners of the company
Net worth Net worth as restated, including share capital and reserves and surplus, as stated at the end of the year

RODW for the Nine months period ended December 31, 2022 are not audited.

5. Net Asset Value (NAV) per Equity Share

Table with 2 columns: Particulars, Rs. Shows NAV for December 31, 2022, As of March 31, 2021, As of March 31, 2022, As of March 31, 2020, and NAV issue price.

\*NAV per Equity Share is calculated on the basis of restated financials for the 9 months ended on December 31, 2022.

Net asset value per equity share Net worth as restated, including share capital and reserves and surplus, as stated at the end of the year

No. of equity shares outstanding at the end of the year

Net profit after tax as restated for calculating Basic EPS

Weighted average number of equity shares outstanding at the end of the period or year

Table with 7 columns: Sr. No., Name of Company, Face Value (₹), Total Income (₹ in Lakhs), Basic EPS (₹), Diluted EPS (₹), P/E based on Diluted EPS (times), RoNW (%), NAV per share (₹).

1. Crayons Advertising Limited 10 19,404.97 0.9 0.9 - 4.33 20.69

Peer Group

2. Afife (India) Limited 2 115,331.1 16.18 16.18 77.88 18.22 88.14

3. Crayons Advertising Limited 10 4280.99 5.10 5.10 17.30 9.21 55.40

4. Pressman Advertising Limited 2 1,638.76 1.92 1.92 21.41 10.03 19.14

Source: All financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the filings made with stock exchanges available on www.bseindia.com and www.nseindia.com. For the financial year ending March 2022.

Source: For Crayons Advertising Limited on the restated financial statements of the Company for year ended FY 2022

7. The Issue Floor Price is ₹62.00, which is 6.20 times of the Face Value of the Equity Shares and the Issue Cap Price is ₹65.00, which is 6.50 times of the face value.

The price band/pre-issue price will be determined by the issuer in consultation with the BRLM, on the basis of book-building on the basis of assessment of the market demand from investors for the Equity Shares and shall be justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "Risk Factors", "Our Business" and "Financial Information" on pages 21, 86 and 145, respectively, to have a more informed view. The pricing policy of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" and you may lose all or part of your investment.

For further details, please see the chapter titled "Basis for Issue Price" beginning on page 62 of the RHP

RISK IN RELATION TO THE FIRST ISSUE

Bidders / Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the issuer, any requested Demographic Details of the Bidders/Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA account or for other correspondence(s) related to an issue.

Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details will be at the Bidders/Applicants' risk. Bidders/Applicants should ensure that PAN, DP ID and Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the Depository Database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see "History and Certain Corporate Matters" on pages 108 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 276 of the Red Herring Prospectus.

LIABILITY OF MEMBERS AS PER MEMORANDUM OF ASSOCIATION: The Liability of the members of the Company is Limited.

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: The Authorized share capital of the Company is ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of Rs 10 each. The issued, subscribed and paid-up share capital of the Company before the Issue is Rs. 18,00,00,000 divided into 1,80,00,000 Equity Shares of Rs 10 each. For details of the Capital Structure, see "Capital Structure" on the page 47 of the Red Herring Prospectus.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed by them at the time of signing of the Memorandum of Association of our Company.

Name of the subscriber No. of shares subscribed

Mr. Kunal Lalani 10 Equity Shares

Mr. Hulus Mal Lalani 10 Equity Shares

Details of the main objects of the company as contained in the Memorandum of Association, see "History and Certain Corporate Matters" on page 108 of the Red Herring Prospectus. For details of the share capital and capital structure of the Company see "Capital Structure" on page 47 of the Red Herring Prospectus.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to lose their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the issue, including the risks involved. The Equity Shares in the Issue 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 the Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 21 of the Red Herring Prospectus.

ASBA Simple, Safe Smart way of Application- Make use of it!!! UPI-Now available in ASBA for Retail Individual Investors (RII)\*

ESROW COLLECTION BANK/ FUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: YES Bank Limited. LINK TO DOWNLOAD ABRIDGED PROSPECTUS: http://crayonsnetwork.com/investors.html

UP: Retail Individual Bidders can also Bid through UPI Mechanism.

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

On behalf of Board of Directors For Crayons Advertising Limited

Sd/- Mr. Gagan Mahajan Company Secretary & Compliance Officer

Place: New Delhi Date: May 15, 2023

Disclaimer: Crayons Advertising Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the Registrar of Companies, Delhi and Hyderabad on May 11, 2023 and thereafter with SEBI and the Stock Exchange. The RHP is available on the website of the Company at http://www.crayonsnetwork.com/investors.html or at website of BRLM at www.bseindia.com or at website of NSE at www.nseindia.com or expected to be available on the SEBI website at www.sebi.gov.in. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the RHP including the section titled "Risk Factors" beginning on page 21 of the Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, unless so registered, and may not be issued or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being issued and sold outside the United States in "offshore transactions" in reliance on Regulation "S" under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.

BOOK RUNNING LEAD MANAGER TO THE ISSUE CORPORATE CAPITALVENTURES PRIVATE LIMITED SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

COMPANY SECRETARY AND COMPLIANCE OFFICER CRAYONS ADVERTISING LIMITED Mr. Gagan Mahajan NSIC Complex, Mas Anandmayam Marg Okhla Industrial Estate, Phase- III New Delhi 110020

Bidders are advised to contact the Company Secretary and Compliance Officer, the BRLM and/or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective demat account, non-receipt of funds by electronic mode etc.