

ANNEXURE III

Date: July 14, 2023

Securities and Exchange Board of India

Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India

Place: Mumbai

Re: Proposed initial public offering of equity shares of face value of ₹5 each ("Equity Shares") by Flair Writing Industries Limited (the "Company") and such offering (the "Offer")

Dear Madam/ Sir,

We, Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and Axis Capital Limited, as the book running lead managers ("**BRLMs**") who have been appointed by the Company to manage the Offer, state and confirm that:

- (1) We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, etc. and other material while finalising the draft red herring prospectus dated July 14, 2023 ("**DRHP**") pertaining to the said Offer;
- (2) On the basis of such examination and the discussions with the Company, its Directors and other officers, other agencies and independent verification of the statements concerning the objects of the Offer, price justification and the contents of the documents and other papers furnished by the Company and the Selling Shareholders, we confirm that:
 - (a) the DRHP filed with the Securities and Exchange Board of India ("**SEBI**") is in conformity with the documents, materials and papers which are material to the Offer;
 - (b) all material legal requirements relating to the Offer as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and

the material disclosures made in the DRHP are true and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended ("**Companies Act, 2013**"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and other applicable legal requirements.

- (3) Besides ourselves, all the intermediaries named in the DRHP are registered with the SEBI and that till date such registrations are valid. **Complied with and noted for compliance**
- (4) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. **Noted for compliance**
- (5) Written consent from the Promoters have been obtained for inclusion of Equity Shares held by them as part of the Promoters' contribution subject to lock-in and the Equity Shares proposed to form part of the Promoters' contribution subject to lock-in, shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing the DRHP with the SEBI until the date of commencement of lock-in period as stated in the DRHP. **Complied with and noted for compliance**
- (6) All applicable provisions of the SEBI ICDR Regulations, which relate to Equity Shares ineligible for computation of Promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. **Complied with and noted for compliance**
- (7) All applicable provisions of the SEBI ICDR Regulations which relate to receipt of Promoters' contribution prior to opening of the Offer, shall be complied with. We confirm that arrangements have been made to ensure that Promoters' contribution shall be received at least one day before the opening of the Offer. We undertake that auditor's certificate to this effect shall be duly submitted to the SEBI. We further confirm that arrangements have been made to ensure that the Promoters' contribution will be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Offer. **Not applicable**
- (8) Necessary arrangements have been made to ensure that the monies received pursuant to the Offer are credited or transferred in a separate bank account as per the provisions of sub-section (3) of Section 40 of the Companies Act, 2013 and that such moneys shall be released by the said bank only after permission is obtained from the Stock Exchanges and that the agreement entered into between the Bankers to the Offer and the Company specifically contains this condition. **Noted for compliance**
- (9) The existing business as well as any new business of the Company for which funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association of the Company or the charter of the Company and that the activities which have been carried on in the last ten years are valid in terms of the object clause of the Memorandum of Association of the Company. **Complied with to the extent applicable.**
- (10) Following disclosures have been made in the DRHP:
 - (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company excluding SR equity shares, where the Company has outstanding SR equity shares; and **Complied with to the extent applicable and noted for compliance. There are no SR equity shares issued by the Company;**

- (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI. **Complied with.**
- (11) We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. **Noted for compliance**
- (12) We certify that the entity is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of SEBI ICDR Regulations. **Not applicable**

We enclose a note (**Appendix A to this certificate**) explaining the process of due diligence that has been exercised by us including in relation to the business of the Company, the risks in relation to the business, experience of the Promoters and that the related party transactions entered into for the periods disclosed in the DRHP have been entered into by the Company in accordance with applicable laws.

We enclose a checklist (**Appendix B to this certificate**) confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any.

All capitalized terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the DRHP.

Thanking you,

Sincerely,

	
<p>Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) 801 - 804, Wing A, Building No 3 Inspire BKC, G Block Bandra Kurla Complex, Bandra East Mumbai 400 051 Maharashtra, India Tel: +91 22 4009 4400 E-mail: Flair.IPO2023@nuvama.com Website: www.nuvama.com Investor grievance e-mail: customerservice.mb@nuvama.com SEBI registration no.: INM000013004 CIN: U67110MH1993PLC344634</p>	<p>Axis Capital Limited 1st Floor, Axis House, C-2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: fwil.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance e-mail: complaints@axiscap.in SEBI registration no.: INM000012029 CIN: U51900MH2005PLC157853</p>

This signature page forms an integral part of the letter to be submitted to Securities and Exchange Board of India for the initial public offering by Flair Writing Industries Limited.

For and on behalf of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)




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<p>Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) 801 - 804, Wing A, Building No 3 Inspire BKC, G Block Bandra Kurla Complex, Bandra East Mumbai 400 051 Maharashtra, India Tel: +91 22 4009 4400 E-mail: Flair.IPO2023@nuvama.com Website: www.nuvama.com Investor grievance e-mail: customerservice.mb@nuvama.com SEBI registration no.: INM000013004 CIN: U67110MH1993PLC344634</p>	<p>Axis Capital Limited 1st Floor, Axis House, C-2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: fwil.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance e-mail: complaints@axiscap.in SEBI registration no.: INM000012029 CIN: U51900MH2005PLC157853</p>

This signature page forms an integral part of the letter to be submitted to Securities and Exchange Board of India for the initial public offering by Flair Writing Industries Limited.

For and on behalf of Axis Capital Limited




Name: Pratik Pednekar
Designation: Assistant Vice President
Contact Number: +91 98192 63346
E-mail: pratik.pednekar@axiscap.in

APPENDIX A

Note explaining the process of due diligence that has been exercised

We, the BRLMs, with assistance from the Legal Counsels (as defined below), have carried out a due diligence exercise on the Company for the purposes of complying with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable laws, and to the extent customary for initial public offerings in India, along with other professionals and experts engaged in the Offer. The due diligence process carried out by us and the Legal Counsels commenced with interactions with the senior management of the Company to gain an understanding of, among other matters, the business of the Company, key risks involved and financial overview, and the background of Company’s management. In this regard, we provided the Company with a due diligence questionnaire and information request list prepared in consultation with Legal Counsels. In response to the questionnaire and the information requisition list, the Company provided us with supporting documents for our review and gave us explanations for our queries. In order to facilitate such review, the Company set up an online data room where copies of such relevant documents were made available for undertaking the due diligence.

All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the DRHP.

In connection with the Offer, S&R Associates has been appointed as the legal counsel to the Company as to Indian law and IndusLaw has been appointed as legal counsel to the BRLMs as to Indian law (“**Legal Counsels**”). The Legal Counsels have assisted us in carrying out legal due diligence, drafting of the DRHP in compliance with the SEBI ICDR Regulations and other applicable laws, and advised the Company and us on other legal matters, as appropriate in the Offer, including for the purpose of issuing legal opinions in relation to the Offer to the BRLMs, as applicable. We were also assisted by the current statutory auditors of the Company, M/s Jeswani & Rathore (“**Statutory Auditors**”) for financial related matters. In addition to examining the restated consolidated financial information for Financial Years 2021, 2022 and 2023, the Statutory Auditor has provided a statement of possible special tax benefits available to the Company and its shareholders, and verified and certified certain matters relating to, *inter alia*, eligibility criteria, compliance with corporate governance conditions by the Company regarding the composition and terms of reference of the Board of Directors and committees of the Board as per the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”). Further, the Statutory Auditor has also verified and provided certifications with respect to certain information included in the DRHP, including, *inter-alia*, average cost of acquisition of equity shares for the Promoters, Promoter Group and Selling Shareholders and weighted average price of securities for the periods required under the SEBI ICDR Regulations, amounts outstanding against borrowings of the Company and its Subsidiaries, details of any amounts outstanding to micro, small and medium enterprises and other creditors of the Company, and certain key performance indicators and operational data of the Company. The Statutory Auditor has also confirmed to us that all related party transactions have, unless otherwise disclosed in the Restated Consolidated Financial Information, been entered into in accordance with applicable laws, on an arm’s length basis. As on the date of the DRHP, the Statutory Auditor holds a valid peer review certificate from the ICAI, based on representations made by it. Further, we also obtained (i) a certificate dated July 12, 2023 from Mr. Trushar Rameshbhai Patel (M.E. Structures), Chartered Engineer (“**Independent Chartered Engineer**”), in connection with the production capacity and capacity utilization at the Company’s manufacturing units and in connection with the capital expenditure proposed to be undertaken by the Company and its Subsidiary, FWEPL; (ii) a Cost Assessment Report dated July 12, 2023 in connection with the proposed project to be set up by the Company from the objects of the Offer; (iii) a certificate on loan utilization dated July 14, 2023 from the Statutory Auditor; and (iv) a certificate on working capital requirements dated July 14, 2023 from the Statutory Auditor. We have also obtained a title search report dated July 5, 2023 from Mr. Vinod Patel (“**Independent Legal**”).

Professional”), regarding the title of the land proposed to be purchased in connection with the objects of the Offer.

The report titled *“An Assessment of writing and creative instruments industry and steel bottle industry in India”* dated June, 2023 (**“CRISIL Report”**) issued by CRISIL Market Intelligence and Analytics (MI&A), a division of CRISIL Limited (**“CRISIL”**), has been used by the Company for disclosures relating to the industry information in the DRHP. Further, the Company has received a written consent dated July 14, 2023 from CRISIL (appointed by the Company vide its engagement letter dated April 14, 2023) to include extracts of the CRISIL Report in the DRHP and other Offer related documents, and such consent has not been withdrawn as at the date of filing of the DRHP. The CRISIL Report has been commissioned and paid for by the Company for the purpose of confirming our understanding of the industry in connection with the Offer.

The Statutory Auditor, Independent Legal Professional and the Independent Chartered Engineer have consented to be named as an expert, in terms of the Companies Act, 2013, as amended to be read with SEBI ICDR Regulation, in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

1. Business and Commercial Diligence

The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending a kick-off discussion with the Company to develop an understanding of the business, history and other matters of the Company, its Subsidiaries, and the industry overview and the regulatory environment, which were attended by members of the Company team, BRLMs, Legal Counsels and the Statutory Auditor. A broad overview of the business of the Company, its Subsidiaries, the industry in which they operate, the regulatory framework with respect to their businesses, the corporate structures, capital structure, financials and shareholding pattern of the Company were presented, followed by interactive discussions. A physical site visit was conducted, where the Company organised an interactive tour of the facilities located at Valsad and Daman.
- (b) Regularly interacting with the Company’s senior management, including the Chief Financial Officer, the Company Secretary and Compliance Officer, other Key Managerial Personnel as well as other individuals from the Company’s business, secretarial, legal and finance departments, and the Statutory Auditor for the purpose of gaining an understanding about, among other matters, the business, the risks involved and the financial overview of the Company. These interactions included (i) due diligence calls, drafting sessions and conference calls to discuss the draft disclosures in the DRHP; (ii) due diligence calls with the Statutory Auditor and certain customers and suppliers of the Company; (iii) due diligence calls to receive updated information from the Company before filing the DRHP; (iv) seeking appropriate certifications from the Company, its Directors, Promoters, Promoter Group, Subsidiaries, Key Managerial Personnel, member of Senior Management, Group Companies, the Selling Shareholders, Statutory Auditor, Independent Chartered Engineer and Independent Legal Professional; and (v) seeking appropriate clarifications from the Company, the Statutory Auditor with respect to key financial, financial related and operational data, and other information, including fund requirements based on the business plan of the Company. These interactions were conducted with the objective of assisting the Company to prepare the disclosures as required under the SEBI ICDR Regulations and other applicable laws with regard to the Offer. We will continue to undertake these interactions and due diligence calls until the allotment of Equity Shares in the Offer.

- (c) Interacting with and conducting due diligence call with the industry consultant, namely CRISIL.
- (d) Requesting the Company to provide documents based on the requirements under the SEBI ICDR Regulations. Assisting the Company to make available due diligence documents in a virtual data room or share through e-mails and reviewing those documents along with the Legal Counsels, to comply with the diligence requirements as stipulated under the SEBI ICDR Regulations, and the other applicable laws, as is customary in such transactions.
- (e) Reviewing, together with the Legal Counsels, certain business-related documents pertaining to the Company, including (i) contracts with customers and suppliers, each on a sample basis and (ii) various internal policies pertaining to its business operations, as adopted and implemented by the Company.
- (f) Obtaining circle-ups from the Statutory Auditor on financial information as well as certifications for the operational data and certain financial related information included in the DRHP, as on and for the periods specified therein.
- (g) Obtaining a certificate from the Independent Chartered Engineer in connection with the production capacity and capacity utilization at the Company's manufacturing units and in connection with the capital expenditure proposed to be undertaken by the Company and its Subsidiary, FWEPL.
- (h) Obtaining a cost assessment report dated July 12, 2023 from the Independent Chartered Engineer in connection with the proposed project to be set up by the Company from the objects of the Offer ;
- (i) Obtaining and relying on formal representations and undertakings from the Company and the Selling Shareholders in the Offer Agreement;
- (j) For certain information, relying on management certificates from the Company for compliance with the SEBI ICDR Regulations.

2. Industry Information

The Company has obtained the CRISIL Report, commissioned and paid for by the Company for the purpose of confirming our understanding of the industry in connection with the Offer. The industry related information contained in the DRHP, including sections titled "Risk Factors", "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Result of Operations", has been included from the CRISIL Report.

The CRISIL Report will be available on the website of the Company at <https://flairworld.in/investor-relation.html>, in accordance with applicable law and has been included as one of the documents that will be available as a material document for inspection.

3. Outstanding Litigation and Material Creditors

The Company has disclosed pending litigation proceedings involving the Company, its Directors, Promoters, Subsidiaries, in accordance with the legal requirements under the SEBI ICDR Regulations (a) all outstanding criminal proceedings; (b) all outstanding actions by regulatory authorities and statutory authorities; (c) outstanding claims related to direct and indirect tax

matters have been disclosed as required under the SEBI ICDR Regulations in a consolidated manner, giving the number of cases and total amount; (d) outstanding litigation involving each of the Group Companies which has a material impact on the Company; and (e) all outstanding legal proceedings, including any litigation or arbitration proceedings involving the Company, its Subsidiaries, Promoters or Directors, that are material as per the policy of materiality adopted by the Board of the Company by a resolution dated June 30, 2023 (the “**Materiality Policy**”) and disclosed in the section titled “*Outstanding Litigation and Other Material Developments*” on page 359 of the DRHP.

The Company has provided a list of outstanding litigation involving the Company, and supporting documents for material proceedings involving the Company. Further, we interacted with the relevant representatives of the Company to understand the status of various pending proceedings involving the Company. For disclosures relating to litigation involving the Directors, Promoters, Subsidiaries and Group Companies, the Company has provided certifications received from such persons/ entities.

As described above, outstanding legal proceedings in relation to direct and indirect tax matters have been disclosed in a consolidated manner giving details of number of cases and total amount involved. With respect to such proceedings, we have relied on a list provided by the Company.

Pursuant to the SEBI ICDR Regulations and the Materiality Policy, for the purposes of disclosure, all outstanding legal proceedings, including any litigation or arbitration proceedings involving the Company, Directors, Promoters, Subsidiaries (together, “**Relevant Parties**”), other than criminal proceedings, actions by regulatory authorities and statutory authorities, and tax proceedings have been considered ‘material’ if: (a) the monetary amount of claim by or against the entity or person in any such pending proceeding is individually in excess of 2% of the Profit after Tax of the Company as per the last restated consolidated financial statements for the full year. As per the Restated Consolidated Financial Information, 2% of the Profit after Tax for the Financial Year 2023 was ₹23.62 million. Therefore, ₹23.62 million has been considered as the materiality threshold (the “**Materiality Amount**”); (b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the Materiality Amount; or (c) any other outstanding legal proceedings, wherein the monetary liability is not quantifiable or does not meet the de minimis threshold provided under (a) above, shall be deemed to be material if the outcome of such litigation would have a material and adverse bearing on the business, operations, performance, prospects, financial position or reputation of the Company. Further, in accordance with the SEBI ICDR Regulations, in relation to litigation involving Group Companies, the Company is required to disclose only such pending litigation which has a material impact on the Company. The outstanding litigation involving the Group Companies, which may have a material impact on the Company have been considered for disclosure based on the certifications received from respective Group Companies of the Company

For the purposes of the disclosures, pre-litigation notices received by the Company, its Subsidiaries, Promoters and Directors from third parties (other than notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not been evaluated for materiality until such time that the Company, its Subsidiaries, Promoters or Directors are impleaded as defendants or respondents in proceedings before any judicial / arbitral forum.

Pursuant to the SEBI ICDR Regulations and the materiality policy adopted by the Board on June 30, 2023, for the purposes of disclosures in the DRHP, any creditor of the Company, outstanding dues to whom exceed ₹ 12.71 million, being 2% of the total trade payables of the Company as at the date of the latest Restated Consolidated Financial Information, has been considered material.

Consolidated disclosure on the dues to (a) creditors that are micro, small and medium enterprises; and (b) other creditors have been provided in a summary format (indicating the total number of, and aggregate outstanding amounts due to such creditors). The details pertaining to net outstanding over dues towards the material creditors are available on the website of the Company at www.flairworld.in/investor-relation.html. It is clarified that such details available on the website do not form a part of the Draft Red Herring Prospectus.

4. *Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel, Subsidiaries, Group Companies, and Selling Shareholders*

For the purposes of making certain disclosures with respect to the Directors, Key Managerial Personnel, Promoters, Promoter Group, the Group Companies, Subsidiaries, and Selling Shareholders, we have obtained consents and certifications from the relevant entities/ persons. We also interacted with the relevant parties to assist them to understand the requirements of law and disclosures.

For the purposes of disclosure of the educational qualifications and professional experience of Directors and Key Managerial Personnel of the Company, we have relied on degree certificates, experience certificates, MCA information for directorships, and appointment letters issued by previous and current employers and other back-up documents.

Pursuant to the board resolution dated June 30, 2023, the “group companies” have been identified in accordance with the definition provided under the SEBI ICDR Regulations, as (i) companies (other than the Subsidiaries) with which there were related party transactions as per the Restated Consolidated Financial Information included in the Draft Red Herring Prospectus, and (ii) such other companies as considered material by the Board, i.e., companies which are members of the Promoter Group and with which there were one or more transactions in the Financial Years 2023, 2022 and 2021 (i.e., during the Financial Years covered in the Restated Consolidated Financial Information disclosed in the Draft Red Herring Prospectus), which individually or in the aggregate, exceed the lower of 5% of the consolidated revenue from operations of the Company or 10% of the consolidated profit after tax of the Company, each as calculated in the Restated Consolidated Financial Information.

We have received confirmation from the Company, the Selling Shareholders, the Promoters, Promoter Group and the Directors stating that they have not been debarred or prohibited from accessing the capital markets or from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/ court. In addition, we have received confirmation from the Company, the Selling Shareholders, Promoters and Directors stating that they have not been categorized as wilful defaulters or fraudulent borrowers as per the definition in SEBI ICDR Regulations. We have also received confirmation from the Company, the Promoters and the Directors that none of the Promoters or Directors are ‘fugitive economic offenders’ as per the definition in SEBI ICDR Regulations. We have also received confirmations from the Company, the Selling Shareholders, the Promoters and members of Promoter Group in respect of their compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as on date of the DRHP, to the extent applicable.

5. *Financial information of the Company and financial indebtedness*

As a part of our diligence, we had interactions and due diligence calls with the Auditors, discussions with the finance department of the Company, review of the Auditors’ examination report, Auditors certificates, and other related documents. The Statutory Auditor has examined the

Restated Consolidated Financial Information of the Company, which were audited in accordance with the Ind AS and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations on a consolidated basis for Fiscal 2021, 2022, 2023 (and provided an examination report thereon). We reviewed the Restated Consolidated Financial Information of the Company and the examination report issued thereon by the Statutory Auditor and obtained certifications with respect to certain information included in the DRHP from the Statutory Auditor. We held discussions with the Statutory Auditor on the form and manner of the reports and certifications required for such financial information.

The Statutory Auditor was also required to review the financial information relating to the Company in the DRHP in the relevant periods and have delivered customary comfort letter to the BRLMs confirming the accuracy of such financial information contained in the Company. Such comfort letters will be re-issued or brought down at certain future dates, as the Offer progresses, by the Statutory Auditor, prior to the filing of the RHP, the Prospectus and the Allotment of Equity Shares in the Offer.

We had also conducted a due diligence exercise of all outstanding financial indebtedness of the Company and its Subsidiaries and ascertained that the outstanding borrowings of the Company and its Subsidiaries as of June 30, 2023. We have also relied on a certificate from the Statutory Auditor in connection with the Company's and its Subsidiaries' financial indebtedness, and the details of the outstanding borrowings availed by the Company and its Subsidiaries including certain key terms of such borrowings are disclosed in the section Financial Indebtedness of the DRHP.

In addition, as per the requirements of the SEBI ICDR Regulations, the Company has uploaded the audited standalone financial statements of the Company for Fiscals 2021, 2022 and 2023 and its material subsidiary being Flair Writing Equipments Private Limited (in terms of Item (11)(II)(A)(ii)(b) of Part A of Schedule VI of the SEBI ICDR Regulations) for the Fiscals 2021, 2022 and 2023, on its website (<https://flairworld.in/investor-relation.html>). Further, in accordance with the SEBI ICDR Regulations, certain financial information in relation to the Group Companies for the previous three Fiscals, extracted from their respective audited financial statements (as applicable) will be available, in the case Pentel Stationery (India) Private Limited, at its website at www.pentel.co.in and such details for Flair Pens Limited, extracted from its audited financial statements will be available on the website of the Company at www.flairworld.in.

We have received the certificate provided by the Statutory Auditor on computation of the Company's net worth, operating profit and net tangible assets, on a restated and consolidated basis for Fiscal 2021, 2022 and 2023 to assess eligibility of the Company to undertake the Offer under Regulation 6 of the SEBI ICDR Regulations. We have relied on the statement of special tax benefits available to the Company and its shareholders issued by the Statutory Auditor.

The Company has also received consents for the Offer from relevant lenders.

6. Statutory and/or Regulatory and Other Diligence

In connection with due diligence of statutory and/or regulatory matters, we have, along with the Legal Counsel, reviewed the relevant statutory and/or regulatory records of the Company, including without limitation, relevant corporate records, filings made by the Company with various key statutory and/or regulatory authorities, licenses, approvals and registrations applied for and/or received by the Company and such other documents as we have deemed necessary and as have been provided to us by the Company from time to time and have made suitable disclosures,

as prescribed, in relation to relevant findings, including in relation to certain corporate records pertaining to capital structure. We have also relied on representations and certifications provided by the Company in connection with such statutory and/or regulatory matters.

We, along with the Legal Counsels, have also regularly interacted with the officials of the Company to understand the approvals that are required to be obtained by the Company to carry out its business, followed by a due diligence exercise of such approvals and review of lease agreements.

The description of the approvals required for the business operations and disclosure of such approvals in respect of which applications have been made has been disclosed in the DRHP. We have appropriately disclosed details of such approvals in the sections titled “Government and Other Approvals” and “Risk Factors” on pages 365 and 29 of the DRHP, respectively.

7. Basis for Offer Price

The Company has taken note of the amendments to the SEBI ICDR Regulations notified on November 23, 2022, pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022. In this regard, suitable disclosures have been made in relation to key performance indicators of the Company in the section titled “Basis for Offer Price” and other relevant sections in the DRHP. Such key performance indicators were approved by the Audit Committee of the Company pursuant to its resolution dated July 9, 2023.

The certificate dated July 14, 2023, issued by the Statutory Auditors in relation to the KPIs is included in the section “Material Contracts and Documents for Inspection” on page 422 of the DRHP.

8. Objects of the Offer

The Company proposes to utilize the Net Proceeds from the Fresh Issue towards: (i) setting up a new manufacturing facility for writing instruments in District Valsad, Gujarat (“**New Valsad Unit**”); (ii) funding capital expenditure of the Company and its Subsidiary, FWEPL; (iii) funding working capital requirements of the Company and its Subsidiaries, FWEPL and FCIPL; (iv) repayment/pre-payment, in part or full, of certain borrowings availed by the Company and its Subsidiaries, FWEPL and FCIPL; and (v) general corporate purposes. In relation to (i) above, the New Valsad Unit will be set up on land that will be acquired by the Company from its internal accruals prior to filing of the Red Herring Prospectus and will be leased to FWEPL commercially acceptable terms for manufacturing of writing instruments.

We have also obtained (i) a cost assessment report dated July 12, 2023, and certificate dated July 12, 2023 in connection with the capital expenditure proposed to be undertaken by the Company and its Subsidiary, FWEPL from the Independent Chartered Engineer in relation to objects of the Offer; (ii) a certificate on loan utilization dated July 14, 2023 from the Statutory Auditor; and (iii) a certificate on working capital requirements dated July 14, 2023 from the Statutory Auditor.

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APPENDIX B

Checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

[Attached separately.]