

IB/NEO/IPO/01/16

27th May, 2022

To,

Mr. Ajay Sikka
Managing Director
Sharp Chucks & Machines Private Limited
A -12, Industrial Development Colony,
Jalandhar-12 (Punjab)- INDIA
Phone: +91 – 0181-2611763
Fax: +91 – 0181-2610344
E-mail: info@sharpchucks.com
Website: www.sharpchucks.com

Dear Sir,

Subject: Appointment of Neomile Corporate Advisory Private Limited (Neomile) as the Exclusive Strategic Advisor for the proposed fund raising by way of Initial Public Offering (IPO) including Offer for sale (OFS) upto Rs. 20 Cr of Sharp Chucks & Machines Private Limited (Company) with dilution upto 30% with a Equity Valuation of 55 Cr

Sharp Chucks & Machines Private Limited (the 'Company') has approached Neomile, to seek its services for acting as Strategic Advisor for fund raising by way of IPO for expansion of business activities of the Company.

We refer to the discussions we had with you and we are glad to inform you that Neomile is well positioned to assist and advise on your proposed IPO on the terms and conditions as set out in this Engagement letter/ Mandate (the 'Agreement').

Indicative Scope of Services

Neomile will act as the Strategic Advisor and will advise on the following services to your Company:

- a) Co-ordination with the BRLM, Lawyer, Underwriters, Market Maker and other external agencies for the effective discharge of their functions. Neomile will also Assist the Company in appointment of intermediaries viz. Co- BRLMs, Registrar, Printers, Advertising Agency and Bankers to the Issue.
- b) Delegate the concerned team for an effective Due Diligence and Structuring of company's operations/management/business plans/legal, etc.
- c) Advise on Drafting and designing of Draft Red Herring Prospectus (DRHP)/ RHP/ Prospectus and statutory advertisements including memorandum containing salient features of the Prospectus.
- d) Advise on the compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing of the same.
- e) Suggesting the appropriate price in consensus with Underwriter and Management for the IPO within the context of the Demand of the Issue, Successfully Underwriting and Closure of the IPO.
- f) Advising the Company in the listing process & post listing at the Stock Exchanges as may be required under the prevailing framework of guidelines issued by Securities and Exchange Board of India (SEBI) and Stock Exchanges.



Compensation

The non-refundable fees payable by the Company to Neomile for acting as a Strategic Advisor for the process will be as per the payment plan given in the success fee description.

Success Fee

Upon draw down of funds by the Company / Promoters / Shareholders (via IPO) as the case may be, Neomile shall be entitled to and shall be forthwith paid a success fee of **25% (Twenty five Percent)** of the committed funds as per the agreed funding plan decided mutually. For any upward revision of size of fund raise or changes in the fee structure a further ancillary fund raising Mandate with Mutually acceptable terms will be signed at a later stage. Also, it is contemplated that the funds required may be disbursed in one or more tranches over a short period of time after IPO. In such a situation, upon first draw down of funds by the Company / Promoters / Shareholders as the case may be, Neomile shall be entitled to and shall be forthwith paid the above success fees in full. It is agreed that all cost pertaining to the IPO as per the agreed plan will be deducted from our success fee.

Tentative timeline for IPO will be 4 months. As discussed, we will be trying to come out with the IPO before September 2022.

Issue management (BRLM), Selling, marketing & underwriting fees and other intermediary's fees and expenses which are tentative and indicative in nature in relation to the issue, inter-alia, Legal Advisor fees, Advertising & Marketing expenses, Printing & Stationery expenses, Stock Exchange fees (issue processing, software fees and bid charges), SEBI fees, ROC expenses RTA & Depositories fees, and other sundry expenses are separately indicated in the Merchant Banker mandate letter- However, ROC expenses, ASBA and UPI commissions including processing fees payable to SCSB's, banks & other brokers and out of pocket expenses shall be charged additionally. All such fees will be deducted from the final fees due to Neomile post the IPO fund raise.

The aforesaid fees are exclusive of prevailing Goods & Service Tax. It is also agreed that there will be other fees including out-of-pocket expenses to be incurred in connection with the aforesaid scope of Services, which shall, inter-alia, include travel, lodging/boarding expenses, photocopying, communication expenses, etc. shall also be borne by the Company.

Information

The Company agrees to provide NEOMILE all financial and other information requested for the purpose of the Agreement (or as may be required by any competent governmental, judicial or regulatory authority). In performing the services hereunder, NEOMILE shall be entitled to rely upon and assume, without independent verification, the accuracy and completeness of all information that is publicly available and of all information that has been furnished to NEOMILE by the Company (or their affiliates or subsidiaries) or their other advisors or otherwise reviewed by them and NEOMILE shall have no obligation to verify the accuracy or completeness of any such information nor to conduct any appraisal or valuation of any assets or liabilities and shall not assume any responsibility nor have liability therefore. The Company agrees to (i) notify NEOMILE promptly upon discovery that any information provided in accordance herewith is, or may be inaccurate, untrue, incomplete or misleading and (ii) keep NEOMILE informed immediately of material developments in the operations or business of the Company and its subsidiaries and affiliates that may have any effect on the proposed IPO, directly or indirectly, for the period up to and the term of this Agreement, and for 12mo months thereafter. Further, if any information material to the proposed IPO is withheld or concealed from or misrepresented to NEOMILE, the Company shall be solely responsible for any losses, damages, costs or other consequences and the Company agrees to indemnify NEOMILE of any such losses, damage, costs etc.

Confidentiality

The Company agrees that any advice rendered by NEOMILE pursuant to the Agreement, in any form, shall be treated as Confidential during the term of this Agreement and will be used solely by the Company for arriving at any decision relating to and ascertaining the viability of and carrying out negotiations for proposed IPO except with regard to disclosures to Company's lawyers or other non-financial consultants which disclosure shall be made on a confidential basis and which the Company warrants will not be disclosed in any manner without the prior, written approval of NEOMILE as the case may be unless the Company is required to do so by law or by any government authority or by their statutory auditors and will be treated as Confidential during the period of this Agreement. Further, the Company agrees that any information/advice by NEOMILE may be given by fax or electronic media (email or such other electronic media) and that the information/advice so given shall be subject to the same confidentiality as mentioned above.

Term and Termination

The Validity of this agreement will be 18 months from the date of signing this agreement.

The Agreement shall terminate on the occurrence of any of the following:

- (i) mutual consent between the Company and NEOMILE; or
- (ii) if the Proposed IPO fails or is withdrawn by the Company due to any Regulatory or other compliance issues.
- (iii) if the Company decides not to proceed with the proposed IPO due to their own Management or Strategic Internal decisions, however in such case NEOMILE will be entitled for a drop-dead fee to be mutually decided at the time of termination.
- (iv) No drop dead fee is payable by the Company, in case SIDBI VENTURE CAPITAL LIMITED(SVCL) do not give its consent for the proposed SME IPO.

No such termination will affect NEOMILE rights to receive fees as mentioned in aforesaid Clause titled as "Compensation", (ii) to receive reimbursement of reasonable out-of-pocket expenses incurred prior to such termination as set forth above; and (iii) the rights of NEOMILE to receive indemnification, and (iv) the provisions of the Agreement relating to confidentiality.

Payments

All payments free and clear of all taxes, duties and withholdings shall be paid over to Neomile at Neomile Corporate Advisory Private Limited at 1215 C – Wing, ONE BKC, Bandra Kurla Complex, Opp. Jio Garden, Bandra (East), Mumbai- 400051, Maharashtra or such other place as may be designated. All bills are payable immediately but not later than 30 days of receipt of the invoice by the Company.

Public Announcement

In the event that any announcement is made in respect of the Agreement or the proposed IPO (i.e., press, regulatory, advertisements, or otherwise) the form and content of the announcement shall be agreed between the Company and NEOMILE to include reference to their role, in any public announcement relating to the proposed IPO. The Company further agrees that NEOMILE may mention about the proposed IPO in the normal course of business i.e., as a Tombstone.

The Directors of the Company will accept full responsibility for the content of any announcement or any information contained in any document relating to the proposed IPO which the Company as the case may be requests NEOMILE to issue or approve. NEOMILE reserves the right to refuse to issue or approve any such document or announcement and to require the Company as the case may be, to prevent its distribution or publication if, in the discretion of NEOMILE, it is incomplete or misleading in any way.

Compliance

The Company agrees to comply with all applicable legal and regulatory requirements of the country in which the IPO is brought. The Company also warrants that its execution of this Agreement has been duly authorized and approved by the

Company's board of directors or such other authorization so that it is not subject to any further approvals or ratification in order to become a binding obligation of the Company.

Governing Law and Submission to Jurisdiction

Any dispute, controversy or claim arising out of or relating to this Allotment or breach, termination or invalidity thereof, shall be settled by Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any enactment thereof. The Arbitral Tribunal shall consist of two Arbitrators, to be appointed by NEOMILE and the Company. The Place of Arbitration shall be Mumbai and any Award whether interim or final, shall be made, and shall be deemed for all purposes between the parties to be made, in Mumbai. The Arbitration proceedings shall be conducted in the English Language and any award or awards shall be rendered in the English language. The procedural law of the Arbitration shall be the Indian Law. The Award of the Arbitral Tribunal shall be final, conclusive and binding upon the Parties hereto.

Notices

Any written notice or other written communication to be given under the Agreement shall be sent by facsimile (with confirmation) or by registered or certified mail, or by courier, addressed to each party at its address set forth herein below or such other address as a party may specify in writing. Except as otherwise expressly provided herein any such notice shall be effective upon receipt.

Force Majeure


Notwithstanding anything contained herein, NEOMILE shall have the option to exercise at any time in its sole discretion, to terminate, with immediate effect, this Agreement if any of the representations/statements etc. made by the Company in this Agreement are incorrect or are found to be incorrect. Such termination shall not in any way affect the right of NEOMILE to receive the compensation as aforesaid.

Limitation of Liability

The Company agrees that the liability of NEOMILE (in contract or tort or under statute or otherwise) for any economic loss or damage suffered by the Company arising out of or in connection with this Agreement, howsoever, the loss or damage is caused, excluding NEOMILE's gross negligence and willful default as is finally determined by a court of competent jurisdiction, shall be limited to the amount of fees actually received by NEOMILE from the Company in accordance with the terms of this Agreement and that the Company will indemnify and hold harmless NEOMILE, its directors, employees and agents as concerns any such liability in excess of the foregoing limit.

Indemnification

The Company agrees to indemnify, on an after tax basis, and hold harmless NEOMILE and its employees, officers, advisers and affiliates, (each an Indemnified Person) from and against all actions, claims, damages, proceedings, investigation, liabilities or judgments (collectively claims) and any and all losses, damages, costs, charges, and expenses (collectively "losses" and including all costs, expenses and fees connected with investigating, preparing or defending any such claim) of whatever nature and in whatever jurisdiction, and which refer to or arise from, directly or indirectly, from this Agreement or the role of NEOMILE in connection with the proposed IPO (whether by agreement or judicially), other than for any claims or losses to the extent that are finally determined by the a court of competent jurisdiction to have resulted primarily from bad faith or gross negligence or willful default of NEOMILE.





Client

NEOMILE is providing Advisory services to the Company in relation to the proposed IPO. It will not regard any person (including any person who is a director or employee of the Company) as its client in relation to the proposed IPO and will not be responsible to any other person for providing protections afforded to clients of NEOMILE or advising any other person involved in the process of proposed IPO.

Miscellaneous

The Agreement constitutes the entire understanding among the parties hereto and supersedes all prior discussions between them relating to the proposed IPO. No amendment or modification of the Agreement shall be valid or binding on the parties unless made in writing and signed on behalf of each of the parties by its authorized officer or representative. None of the party to this Agreement may assign or transfer, in whole or in part, any of its rights, obligations or duties under the Agreement. If the foregoing correctly sets forth the Agreement between the Company and NEOMILE, please sign and return the enclosed copy of this letter, whereupon it shall become our binding Agreement. This agreement supersedes all the previously signed agreements (if any) between both the parties. If the foregoing correctly sets forth the Agreement between the Company and NEOMILE, please sign and return the enclosed copy of this letter, whereupon it shall become our binding Agreement.

<p>For Sharp Chucks & Machines P.Limited</p>  <p>Authorized Signatory & Seal Date: 27th May, 2022</p>	<p>For Neomile Corporate Advisory Private Limited</p>  <p>Authorized Signatory & Seal Date: 27th May, 2022</p>
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