

SHARP CHUCKS AND MACHINES LIMITED

Formerly SHARP CHUCKS AND MACHINES PVT.LTD.

Regd. Office : A- 12, Industrial Development Colony, Jalandhar - 144 012 (Pb.)

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE AUDIT COMMITTEE OF SHARP CHUCKS AND MACHINES LIMITED HELD AT ITS REGISTERED OFFICE OF THE COMPANY SITUATED A-12 INDUSTRIAL DEVELOPMENT COLONY JALANDHAR - 144012, PUNJAB, INDIA ON 23.09.2023 AT 11.00PM

Approval of Key Performance Indicators

The Chairman informed the committee that the following Key Performance Indicators of the Issue placed before the committee to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers as stated in the Offer Document was approved and after final discussions resolution was passed unanimously:

“RESOLVED THAT the KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

RESOLVED FURTHER THAT it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Our Company has not undertaken any material acquisition or disposition of assets / business for the Financial Year ended March 31, 2023, for the ended Financial Year 31, 2022 and for the ended Financial Year 2021

Key Performance Indicators of our Company

Our Company confirms that it shall continue to disclose all the KPIs included in this chapter on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.



MANUFACTURERS & EXPORTERS OF
“SHARP” PRECISION SELF CENTERING LATHE CHUCKS, DRILL CHUCKS,
INDEPENDENT CHUCKS & CUSTOMISED CASTING

(Rs. In lakhs except percentages and ratios)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Revenue from operations (Rs. in Lakhs) ⁽¹⁾	17644.97	15190.78	13545.94
Growth in Revenue from Operations (%) ⁽²⁾	16.16%	12.14%	20.08%
EBITDA (Rs. in Lakhs) ⁽³⁾	1852.33	1710.42	1472.02
EBITDA Margin (%) ⁽⁴⁾	10.50%	11.26%	10.87%
Restated Profit After Tax for the Year (Rs. in Lakhs)	506.50	452.62	330.96
PAT Margin % ⁽⁵⁾	2.87%	2.98%	2.44%
Net Worth ⁽⁶⁾	5234.79	4728.29	4275.67
Capital Employed	14268.99	14997.64	10581.04
RoE (%) ⁽⁷⁾	10.17%	10.05%	8.05%
RoCE (%) ⁽⁸⁾	11.00%	8.67%	10.51%

Notes:

1. Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
2. Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
3. EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income.
4. 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.
5. 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
6. Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account.
7. Capital Employed is calculated as Net worth + Long Term Borrowings + Short Term Borrowings + Current maturities of long-term borrowings.
8. Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
9. Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

Explanation of KPI Metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for respective periods
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business
Capital Employed	Capital employed, also known as funds employed, is the total amount of capital used for the acquisition of profits by a firm or project.

Net worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

Weighted average cost of acquisition

- a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities).

There has been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this DP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

- b) The price per share of our Company based on the secondary sale / acquisition of shares (equity shares).

The details of the Equity Shares or convertible securities transacted by the Promoters, members of the Promoter Group, Selling Shareholder or Shareholder(s) having the right to nominate director(s) in the board of directors of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transaction"), are as follows:

Date of Transaction	Name of Transferor	Name of Transferee	No. of Equity Shares	Face value per Equity share	Transaction price per Equity shares Rs.	Nature of Transaction	Nature of Consideration	Total Consideration (Rs. in lakhs)
November 24, 2022	Rajeev Gupta	Ajay Sikka	13000	10	10	Transfer	Cash	1.30
November 29, 2022	Abhishek Jain	Ajay Sikka	58000	10	4	Transfer	Cash	2.32
December 6, 2022	Ravinder Kumar Jhalli	Ajay Sikka	28000	10	10	Transfer	Cash	2.80
December 2, 2022	Ashok Sikka	Ajay Sikka	642892	10	2	Transfer	Cash	12.86
December 16, 2022	Dinesh Sikka	Ajay Sikka	29926	10	2	Transfer	Cash	0.60
January 13, 2023	Anil Kumar Virmani	Ajay Sikka	50602	10	10	Transfer	Cash	5.06

March 21, 2023	Dhiraj Arora		60400	10	10	Transfer	Cash	6.04
March 02, 2023	Anjali Arora	Gopika Sikka	17450	10	10	Transfer	Cash	1.75
Total			9,00,270					32.72
Weighted average cost of acquisition (secondary transactions)per Equity Shares Rs.								3.63

- c) Since there are no transactions to report to under (a) and transaction to report under (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to irrespective of the size of transactions, is as below:

Type of Transactions	Weighted average cost of acquisition (Rs. per Equity Shares)*	Issue Price
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA	NA
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	Rs. 3.63	Rs. 58

RESOLVED FURTHER THAT the Audit Committee of the Issuer Company that verified and audited details for all the KPIs pertaining to the Issuer Company that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing of the Offer Document are disclosed under 'Basis for Issue Price' section of the offer document.

RESOLVED FURTHER THAT any of the directors of the Company is authorised to disclose all the KPIs included in this section on a periodic basis."

//Certified to be true//

SHARP CHUCKS AND MACHINES LIMITED

For Sharp Chucks & Machines Ltd.

 Mg. Director

Ajay Sikka
Managing Director and Chairman
DIN: 00665858