

Ref. No. 75 / SVCL (IOF)

June 28, 2023

To, Sharp Chucks and Machines Limited, A-12 Industrial Development Colony Jalandhar - 144012, Punjab, India	To, Fedex Securities Private Limited B 7, 3 rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India
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Dear Sirs / Madam,

Subject: Proposed Initial Public Offer of up to 10,71,484 Equity Shares of face value of ₹10/- each (the "Equity Shares") of Sharp Chucks and Machines Limited ("Company" or "Issuer") consisting of a fresh issue of up to 10,71,484 Equity Shares , aggregating up to [●], by the Company (the "Fresh Offer") and an offer for sale of up to 19,28,516 Equity Shares by SIDBI Trustee Company Limited A/c India Opportunities Fund (the "Selling Shareholder"), aggregating up to ₹ [●] (the "Offer for Sale", and together with the Fresh Issue, the "Issue" and such Equity Shares, the "Offered Shares").

As on the date of this letter, we, SIDBI Venture Capital Limited bearing CIN U67190MH1999PLC120866 and having our registered office at SIDBI, Swavalamban Bhavan, C-11, G-Block, 2nd Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 acting in the capacity of Investment Manager of SIDBI Trustee Company Limited A/c India Opportunities Fund ("STCL A/c IOF" or "Selling Shareholder") hereby confirm that STCL A/c IOF holds 19,28,516 Equity Shares (the "Offered Shares") representing 19.71% of the pre-offer paid up capital of the Company.

We have been informed by the Company of the proposed Initial Public Offering of its Equity Shares, including an offer for sale of Equity Shares (the "Offer ") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"), the Companies Act, 2013 and rules made thereunder ("Companies Act") and other applicable laws.

We, SIDBI Venture Capital Limited acting in the capacity of Investment Manager of STCL A/c IOF had entered into a Subscription-cum-Shareholders Agreement ("SSHA") dated April 22, 2014 with the Company, Mr. Ajay Sikka, Mrs. Gopika Sikka and the Other Shareholders (as defined in the said SSHA) (collectively, the "Parties"). Pursuant to the SSHA, the Selling Shareholder subscribed to 19,28,516 Equity Shares of ₹10/- each of the Company at a price as detailed in the SSHA. Under the said SSHA, the Selling Shareholder was supposed to subscribe to 7,50,000 (10%) Optionally Convertible Debentures ("OCDS") at a price as detailed in the SSHA. However, the Company, as on date, has not issued any OCDS for subscription by the Selling Shareholder. On behalf of the Selling Shareholder, we hereby confirm that Selling Shareholder has no objection to the non-issuance of OCDS by the Company and waives the requirement detailed in clause 2.1 (2) (b) and other related provisions of the SSHA.

On behalf of the Selling Shareholder, we confirm that pursuant to issue and allotment of 19,28,516 Equity shares of the Company to the Selling Shareholder, the Selling Shareholder is the legal holder of the Offered Shares and such Offered Shares have been subscribed/ acquired and are held in full compliance with all applicable laws and regulations.

The Company proposes to undertake an initial public offering of the Equity Shares of the Company bearing face value ₹10 each (the "Equity Shares") comprising a fresh issue of upto 10,71,484 Equity Shares by the Company) (the "Fresh Issue") and an offer for sale up to 19,28,516 Equity Shares by the Selling Shareholder (the "Offer for Sale" and together with Fresh Issue, the "Offer", in accordance with the Companies Act, 2013 and the rules made thereunder (the "Companies Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and other applicable laws, at such price as may be determined by the Company and the Selling Shareholder in consultation with the Lead Manager ("Offer price").

We hereby on behalf of the Selling Shareholder consent to the inclusion of up to 19,28,516 Equity Shares (the "Offered Shares/Sale Shares") representing 19.71% held by the Selling Shareholder in the Company as part of the Offer, subject to the terms of the Offer, as mentioned in the draft red herring prospectus (the "DRHP"), the red herring prospectus (the "RHP") and the prospectus (the "Prospectus") (the "Offer Documents") and transaction agreements viz., Registrar Agreement, Offer Agreement, Bankers to the Offer Agreement and Share Escrow Agreement executed in relation to the Offer.

We hereby on behalf of the Selling Shareholder consent to the inclusion of the Selling Shareholder's name and any other information contained in this certificate (in part or full) as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations") and other applicable laws in the RHP and the Prospectus which the Company intends to file with the Registrar of Companies, Chandigarh (the "RoC") and thereafter file with the Securities and Exchange Board of India ("SEBI") and any relevant stock exchange(s) where the Equity Shares are proposed to be listed (the "Stock Exchanges"), and any other materials or documents related to the Offer.

On behalf of the Selling Shareholder, we confirm that the Offered Shares (i) are fully paid-up; (ii) are eligible to be offered in the Offer for Sale in the Offer; (iii) are held by Selling Shareholder in the dematerialized form (iv) will be delivered, in dematerialized form, into an escrow account maintained by the share escrow agent appointed in this regard in accordance with the share escrow agreement to be entered into in relation to the Offered Shares (v) will continue to be in dematerialized form till the date of allotment and transfer in the Offer; (vi) shall be transferred to the successful allottees (the "**Allottees**") in the Offer without any delay or demurral on Allotment and in accordance with the instructions of the registrar to the Offer, at which time the Allottees shall attain full, valid, and marketable title to the Offered Shares, free and clear of any charge, liens or encumbrances or any contractual restrictions of any kind whatsoever. On behalf of the Selling Shareholder, we confirm that Selling Shareholder shall take all such steps as may be required to ensure that the Offered Shares are available for transfer in the Offer within the time specified under applicable law.

On behalf of the Selling Shareholder, we confirm that Selling Shareholder shall not transfer the Offered Shares, which will be entirely sold and transferred as part of the Offer, during the period starting from the date of transfer of the Offered Shares to the escrow account, except in accordance with the SEBI ICDR Regulations, till the date of listing of Equity Shares on successful completion of the IPO, without consultation with the Lead Manager.

On behalf of the Selling Shareholder, we confirm that the price band and the final price at which the Equity Shares in the Offer will be offered to investors will be decided by the Company, in consultation with us and the Book Running Lead Managers to the Issue ("BRLM"). Such final price shall be within the price band as determined, or within any revision, modification or amendment of the price band as agreed to by the Company in consultation with us and the BRLM. On behalf of the Selling Shareholder, we confirm that, to the best of our knowledge, Selling Shareholder is not in breach of its constitutional documents or any

agreement or instrument binding on Selling Shareholder or any applicable law, as applicable, for the sale and delivery of the Offered Shares in the Offer. Further, to the best of our knowledge, we confirm that Selling Shareholder has not been debarred or prohibited from accessing the capital markets or restrained from buying, selling or dealing in securities, in either case, under any order or directions whether partial, interim, ad-interim or in any other form, passed by SEBI or any securities market regulator or in any other jurisdiction or any other authority or court.

We confirm that to the best of our knowledge, the Selling Shareholder is not classified as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013, as amended) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. To the best of our knowledge, Selling Shareholder has not been adjudged bankrupt/insolvent in India or elsewhere nor are any such proceedings pending against Selling Shareholder. To the best of our knowledge, we confirm that Selling Shareholder is not insolvent or unable to pay its debts within the meaning of any insolvency legislation applicable to Selling Shareholder.

To the best of our knowledge, we confirm that all statements in relation to the Selling Shareholder and its respective portion of the Offered Shares in this certificate (a) are true, fair, correct, adequate, complete, accurate and without omission of any matter that is likely to mislead; (b) are adequate and not misleading to enable investors to make a well-informed decision with respect to an investment in the Offer; and (c) do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or necessary in order to make the statements in the light of circumstances under which they were made, not misleading.

We undertake that Selling Shareholder shall not have recourse to the proceeds from the Offer which shall be held in escrow in Selling Shareholder's favor until the final listing and trading approvals from the Stock Exchange(s) where listing is proposed, have been obtained. All monies received shall be kept in a separate bank account in a scheduled bank and shall be utilized for adjustment against the transfer of the Offered Shares only where the Equity Shares have been permitted to be dealt with on the stock exchange(s) where the Equity Shares are proposed to be listed.

We further acknowledge and agree that the securities transaction tax in respect of the Offered Shares sold in the Offer shall be deducted by the Lead Manager from the proceeds arising out of the Offer. On behalf of the Selling Shareholder, we acknowledge and undertake that the payment of securities transaction tax in relation to the Offer for Sale of its Offered Shares is Selling Shareholder's sole obligation, and any deposit of such tax by the Lead Manager is only a procedural requirement as per applicable taxation laws and that the Lead Manager shall not derive any economic benefits from the transaction relating to the payment of securities transaction tax. Accordingly, On behalf of the Selling Shareholder, we undertake that in the event of any future proceeding or litigation by the Indian revenue authorities against the Lead Manager relating to payment of securities transaction tax in relation to the Offer for Sale, the Selling Shareholder shall furnish all necessary reports, documents, papers or information as may be required by the Lead Manager to provide independent submissions for itself, in any ongoing or future litigation or arbitration and/or investigation by any regulatory or supervisory authority.

We hereby authorize the Company to take all actions in respect of the Offer for and on behalf of the Selling Shareholder as required under Section 28 of the Companies Act, 2013.

We also authorize the registrar to the Offer and the Lead Manager to perform all the necessary acts, as permitted under the SEBI ICDR Regulations, in relation to the Offer for Sale in compliance with the SEBI ICDR Regulations and other applicable laws and in accordance with

the provisions of the offer agreement, registrar agreement and any other Offer related documents which may be executed in relation to the Offer, in the form and manner agreeable to us and the Selling Shareholder.

We hereby also authorise the compliance officer of the Company and the registrar to the Offer to redress complaints, if any, of the investors in respect of the statements made, confirmed or undertaken by the Selling Shareholder in the Offer Documents in relation to itself as a selling shareholder and the Offered Shares and we also undertake to reasonably co-operate with the Company and the Lead Manager for resolving such complaints expeditiously. On behalf of the Selling Shareholder, we undertake to comply with the regulatory restrictions, in India or otherwise, as applicable to us on publicity and comply with the requirements of the publicity restrictions.

We confirm that we will immediately communicate any changes in writing in the above information to you until the date when the Equity Shares commence trading on the relevant stock Exchange(s). In the absence of any such communication from us, the Lead Manager to reach the Company and the Lead Manager can assume that there is no change to the above information.


This consent letter and certificate is for the information and for inclusion (in part or full) in the Offer Documents in relation to the Offer or any other Offer related material and may be relied upon by the Company, the Book Running Lead Manager and the Legal Counsel to the Offer in respect of the Offer. We hereby consent to the submission of this consent letter and certificate as may be necessary to the SEBI, the RoC, Chandigarh, pursuant to the provisions of Sections 26 and 32 of the Companies Act, 2013, the Stock Exchanges and any other regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in accordance with applicable law.

The above is subject to: (a) the Company bearing all expenses related to the Offer; (b) the Company obtaining approval from SIDBI Venture Capital Limited for the price of the Offer and (c) the issue to be fully underwritten.

We hereby consent to this certificate being disclosed by the BRLM, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

All capitalised terms used herein but not defined shall have the same meaning to them in the Offer Documents.

Yours faithfully,



Name: Sajit Kumar
Designation: Sr. Vice President
Place: Mumbai
Date: June 28, 2023

CC

M V Kini Law Firm
Kini House, Near Citi Bank, D.N. Road, Fort, Mumbai - 400004