

Valuation Analysis of Equity Shares SHARP CHUCKS AND MACHINES LIMITED



Strictly Private & Confidential

To,
Board of Directors/Audit Committee
SHARP CHUCKS AND MACHINES LIMITED

A-12 Industrial Development Colony, Jalandhar, Punjab, India, 144012.

Subject – Fair Valuation of Equity of SHARP CHUCKS AND MACHINES LIMITED.

Dear Sir,

The said valuation assignment has been conducted for the purpose of computing the Value per Equity Share of **SHARP CHUCKS AND MACHINES LIMITED** (herein after referred to as “Company”) for the purpose of Preferential Issue of Equity shares and Convertible Warrants of SHARP CHUCKS AND MACHINES LIMITED and to estimate the fair value for further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the ‘Chapter V - Preferential Issue’ of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (‘SEBI (ICDR) Regulations 2018’) and the valuation guidelines stipulated under International Valuation Standards.

Valuation Summary:

We **Procurve Valux Private Limited**, (“herein-after-referred as “**Registered Valuer Entity**”), hereby certify the fair value of equity shares of the Company as follow.

- | | |
|---------------------------------|--------------|
| 1. Date of Valuation | : 02/04/2026 |
| 2. Date of Appointment | : 02/04/2026 |
| 3. Date of Submission of Report | : 06/04/2026 |
| 4. Relevant Date | : 06/04/2026 |

Name of Instrument	Value per share (INR)
Equity	138.49/-

This certificate is being issued for compliance with the aforesaid purpose only.



Thank you



For and on behalf of
Procurve Valux Private Limited
CA Sejal Agrawal (Director)
Registered Valuer Entity- Securities & Financial Assets
Registration No. IBBI/RV-E/02/2025/218
Place: Ahmedabad
VRN: IOVRVF/PVP/2026-2027/7026



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GLOSSARY OF ABBREVIATION

Abbreviation	Definition
Company	SHARP CHUCKS AND MACHINES LIMITED
Management	Management of SHARP CHUCKS AND MACHINES LIMITED
CIN	Corporate Identification Number
KMP	Key Managerial Personnel
MOA	Memorandum of Association
AOA	Articles of Association
ROC	Registrar of Companies
DIN	Director Identification Number
PAN	Permanent Account Number
FY	Financial Year
DCF	Discounted Cash Flow
DFCF	Discounted Free Cash Flow
NAV	Net Asset Value
CCM	Comparable Companies Multiples
NSE	National Stock Exchange
INR	Indian Rupee
IVS	International Valuation Standard
ESG	Environmental, Social, and Governance
RVE	Registered Valuer Entity
IBBI	Insolvency and Bankruptcy Board of India
VRN	Valuation Reference Number
PBT	Profit Before Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBIT	Earnings Before Interest and Tax
WACC	Weighted Average Cost of Capital
EV	Enterprise Value



ABOUT THE VALUER



Sejal Ronak Agrawal is the **Director of Procurve Valux Private Limited** and heads the Valuation and Transaction Advisory practice of the firm. She is a distinguished valuation professional with extensive experience in business valuations, financial reporting valuations, and regulatory advisory assignments.

She holds the rare distinction of dual credentials as a **Certified Valuation Analyst (CVA) from NACVA, USA** and a **Registered Valuer (Securities & Financial Assets) registered with IBBI**, positioning her among a select group of professionals in India qualified to handle complex domestic as well as cross-border valuation engagements.

She has led valuations for fundraising, M&A, financial reporting, ESOPs, and regulatory compliance across multiple industries. Her core expertise includes fair value assessments, IND AS advisory, forensic accounting, and strategic financial insights.

Professional Qualifications & Certifications

- FCA – Fellow Member, Institute of Chartered Accountants of India
- CS – Company Secretary
- IP (IBBI) – Insolvency Professional registered with Insolvency and Bankruptcy Board of India
- RV (SFA) (IBBI) – Registered Valuer (Securities or Financial Assets)
- Social Auditor (NISM) – Certified Social Auditor
- FAFD (ICAI) – Forensic Accounting & Fraud Detection
- DISA (ICAI) – Diploma in Information Systems Audit
- Ind AS (ICAI) – Certificate Course on Indian Accounting Standards
- Concurrent Audit (ICAI) – Certified Concurrent Auditor
- ID (MCA–IICA) – Independent Director (Ministry of Corporate Affairs – IICA Databank)
- CVA (USA, NACVA) – Certified Valuation Analyst (USA)

Professional Recognition

She is frequently invited as a subject matter expert by premier professional bodies such as **ICAI IIP, ICSI-IIP** and many other to deliver technical sessions on valuation. Her approach emphasizes practical implementation of valuation standards in complex and cross-border transactions.

EXECUTIVE SUMMARY

Company	SHARP CHUCKS AND MACHINES LIMITED
Corporate Identification Number (CIN)	L27106PB1994PLC014701
Relevant industry	Machinery Industry
Net worth as on 30.09.2025	8,946.82 Amt (INR Lakhs)
Base of Valuation	Fair value
Premise of Valuation	Going concern
Valuation Approach	Income Approach, Market Approach & Cost Approach
Method for Valuation	Discounted Cash flow Method, Market Price Method, Net Asset Method
Value Variation from Standard Assumptions	None
Special Assumptions	None
Independence	The total fees, including the fee for this assignment earned from the instructing party are less than 5.0% of our total annual revenues. We have no association with the instructing party during the past five years.
Valuation Currency	INR
Standard Applied	International Valuation Standard
Valuation Process Quality Control (IVS 100)	The valuation process has been conducted with appropriate quality controls to ensure transparency, objectivity, and compliance with IVS 2025.
Environmental, Social, and Governance (ESG) Considerations (IVS 104)	No formal ESG framework is in place; however, no material ESG factors were identified that impact the valuation as of the valuation date.
The use of valuation models and their validation.	No valuation software or third-party data models were used



INDUSTRY BACKGROUND

The Machinery industry is a fundamental component of the global industrial ecosystem, responsible for producing equipment used across sectors such as manufacturing, construction, agriculture, and transportation. Major players like Caterpillar Inc. and Komatsu Ltd. highlight the industry's global reach and scale. The sector includes a wide range of products, from heavy earthmoving equipment to precision machine tools and industrial components. Its growth is closely linked to economic development, infrastructure spending, and industrial activity, making it a key indicator of overall economic health.

Technological advancements are significantly reshaping the machinery industry, particularly through the integration of automation, robotics, and digital technologies. The emergence of Industry 4.0 has enabled smart factories, where machines are interconnected through IoT systems and data analytics. These innovations improve efficiency, reduce downtime through predictive maintenance, and enhance product quality. As a result, manufacturers are increasingly investing in research and development to stay competitive and meet the growing demand for high-performance, energy-efficient, and digitally enabled machinery.

The industry's growth is strongly influenced by global economic conditions, government policies, and regional development trends. Emerging markets such as India and China are driving demand due to rapid industrialization, urbanization, and infrastructure expansion. At the same time, sustainability is becoming a major focus, with companies developing eco-friendly and energy-efficient machinery to meet environmental regulations. Despite challenges like raw material price volatility and supply chain disruptions, the machinery industry is expected to remain a vital driver of industrial progress worldwide.

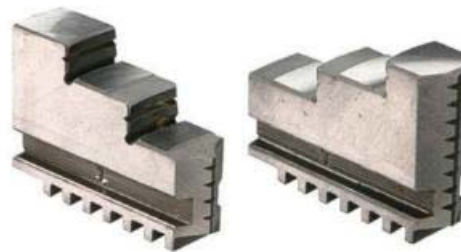
COMPANY OVERVIEW

Sharp Chucks and Machines Limited is an Indian industrial manufacturing company incorporated in 1994 and headquartered in Jalandhar, Punjab. The company operates in the machinery and engineering sector, specializing in the production of machine tools, hand tools, and precision-engineered components. Over the years, it has built a strong presence in both domestic and international markets as a manufacturer and exporter. The company primarily caters to original equipment manufacturers (OEMs) in industries such as automotive and tractors. Its long operational history and technical expertise have helped it establish credibility in the precision engineering space. The firm is also listed on the National Stock Exchange (NSE), reflecting its growing market presence.

The company's product portfolio includes lathe chucks, power chucks, drill chucks, and a wide range of casting and forging products. It operates an integrated manufacturing setup with facilities for foundry, forging, machining, and quality control, enabling end-to-end production capabilities. Sharp Chucks focuses on delivering customized solutions tailored to specific customer requirements, ensuring precision and reliability in its components. Its products are used across various sectors, including automotive, railways, defense, and heavy engineering industries. The company emphasizes quality assurance and timely delivery, which has helped it maintain long-term relationships with its clients. This diversified product range and strong manufacturing base position it as a niche player in the machinery industry.



In terms of business strategy, the company focuses on expanding its export footprint while strengthening its position in the domestic market. It benefits from increasing demand in India's manufacturing and infrastructure sectors, which drive the need for industrial machinery and components. The company has shown steady financial performance with consistent revenue generation and profit growth over recent years. However, like many firms in the machinery sector, it faces challenges such as raw material price fluctuations, competition, and cyclical demand. Going forward, Sharp Chucks aims to leverage technological improvements and customized engineering solutions to enhance its competitiveness. Its focus on precision manufacturing and OEM partnerships is expected to support long-term growth.



COMPANY ASSESSMENT

Company Information	
CIN	L27106PB1994PLC014701
Company Name	SHARP CHUCKS AND MACHINES LIMITED
ROC Name	ROC Chandigarh
Registration Number	014701
Date of Incorporation	10/06/1994
Email Id	cs@sharpchucks.com
Registered Address	A-12 Industrial Development Colony, Jalandhar, Punjab, India, 144012
Listed in Stock Exchange(s) (Y/N)	Yes
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
Authorised Capital (Rs)	17,50,00,000
Paid up Capital (Rs)	14,49,67,920

Share Holding Pattern as on Valuation date are as follow (More than 5%)

Equity Share Holder		
Sr. No	Name of Shareholders	No. of Equity Shares
1	Promoter & Promoter Group	84,30,542
2	Public	36,54,250
	Total	1,20,84,792



The Board of Directors of the company as on valuation date are as follows

Director/Signatory Details			
Sr. No	DIN/PAN	NAME	Designation
1	00665858	Ajay Sikka	Managing Director
2	00665904	Gopika Sikka	Whole-time director
3	08801080	Avinash Shripad Joshi	Director
4	10087749	Manmohan Puri	Director
5	09130650	Suraj Singhal	Director
6	11244835	Lovansh Gupta	Director

PURPOSE OF VALUATION, SCOPE & LIMITATIONS

PURPOSE OF VALUATION

Based on the discussions held with the Management and Key Managerial Personnel (KMPs) of the Company, this valuation has been undertaken for the purpose of Preferential Issue of Equity shares and Convertible Warrants of SHARP CHUCKS AND MACHINES LIMITED and to estimate the fair value for further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations 2018') and the valuation guidelines stipulated under International Valuation Standards.

- The company is looking to assess its fair value for the proposed Issue of Preferential Allotment of Equity Shares in accordance with Regulations 164 and 166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ("ICDR") using latest available unaudited Report on Financial Results as on 30/09/2025.
- Allotment to the Proposed allottees is more than five percent of the post issue fully diluted share capital of the issuer, therefore, the pricing of Preferential allotment of shares/securities of the Company shall be determined as higher of
 - o the price determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 or
 - o the price determined as per Valuation Report of an Independent Registered Valuer as per Regulation 166A of the SEBI (Issue of Capital & Disclosure Requirements)

Regulations, 2018 or

- o the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.



- For the purposes of price to be determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, the Issue of Preferential allotment of shares/securities of the company are frequently traded on the stock exchange, on NSE SME platform and thus Regulation 164(1) becomes applicable.
- For the purposes of valuation under Regulation 166A, detailed valuation methodology has been explained in this report.

APPOINTING AUTHORITY

The management of the **SHARP CHUCKS AND MACHINES LIMITED** appointed **PROCURVE VALUX PRIVATE LIMITED** (Registered Valuer Entity) for valuation of Equity Shares.

IDENTITY OF VALUER

For Procurve Valux Private Limited
CA Sejal Agrawal (Director)
Registered Valuer Entity - Securities & Financial Assets
Registration No. IBBI/RV-E/02/2025/218
Place Ahmedabad

"We, Procurve Valux Private Limited, are a 'Registered Valuer Entity' under Section 247 of the Companies Act, 2013, and registered with the Insolvency and Bankruptcy Board of India (IBBI) under Rule 13(1) of the Companies (Registered Valuers and Valuation) Rules, 2017. This valuation has been conducted to the relevant provisions, rules, and standards prescribed under the Act and applicable regulatory framework."

NATURE AND SOURCES OF INFORMATION

We have reviewed the following documents including but not limited to

- Discussions with the KMPs.
- Limited Reviewed Financial statement as on 30/09/2025.
- Audited Financial Statements as on 31st March, 2025, 31st March, 2024 and 31st March, 2023.
- Management Representations Letter.
- MOA & AOA
- GST Certificate
- Management Signed projection From FY 2026 to 2030



EXTENT OF THE INVESTIGATION UNDERTAKEN

We have exercised due care in performing the valuation procedures, including the application of appropriate discount rates based on the risk profile of the business plan. However, we expressly state that, although we have reviewed the financial data for the purpose of this valuation, we have not conducted an audit and have relied on the historical and projected financial statements (P&L Account and Balance Sheet) prepared and submitted by the company's management. While we have conducted inspections and investigations within the scope of available information, a comprehensive verification of all assets and liabilities was not undertaken. The projections provided may not materialize as forecasted; however, the management has represented that due care was taken in preparing these financial forecasts, and they reflect a true and fair view of the expected business plan of the company.

VALUATION METHODOLOGIES AND VALUE CONCLUSION

There are three approaches to Valuation namely Income, Asset, and Market Approaches.

Approach	Valuation Methodologies	Basis of Consideration
Asset	Net Asset Value (NAV) Method	<p>The Asset-based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The business value is the difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis. However, this methodology recognizes the historical cost of net assets only without recognizing its present earnings, the comparative financial performance of its peers, their enterprise values, etc. Therefore, in general, Net Asset Value only reflects the minimum proxy value of the company.</p> <p>We have considered the Net Asset Method to calculate the fair equity value of the company by determining the fair market value of its assets and liabilities basis. This approach provides a valuation based on the company's net asset position, reflecting its financial strength and asset base.</p>
Market	Market Method [90/10 days]	<p>This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Company Market Multiple analysis is that the methodology</p>

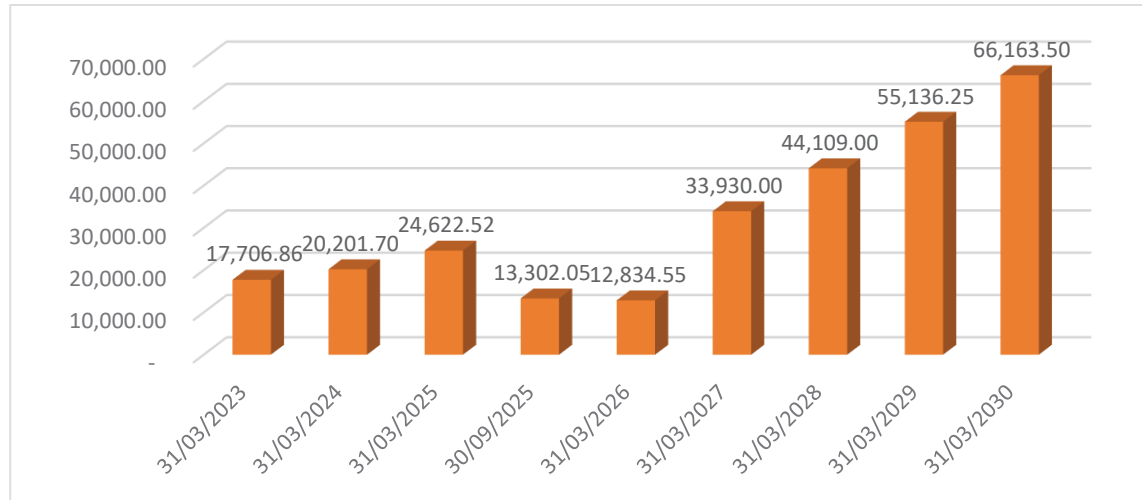


		<p>is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs.</p> <p>In the instant case, we have considered the VWAP Basis [90/10 days] method of the market approach. The Volume Weighted Average Price (VWAP) method is commonly used to assess the fair market value of a company's shares based on actual trading prices over a defined period. By analysing the VWAP over 90 and 10 days, this method ensures that short-term market fluctuations are smoothed out, providing a more accurate reflection of the company's market value. The market approach relies on real market transactions, making it a widely accepted valuation technique for publicly traded securities and ensuring a fair representation of investor sentiment.</p>
Income	Discounted Free Cash Flow (DFCF) Method	<p>The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). The DFCF methodology is the most appropriate basis for determining the earning capability of a business. In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex are being met.</p> <p>We have considered this methodology for calculation of fair equity value of the Company based on its cash flows. After considering its business plan, we have calculated the Enterprise value and then derived the Equity value by adjusting its debt, cash and cash equivalents and surplus assets on the date of valuation.</p>

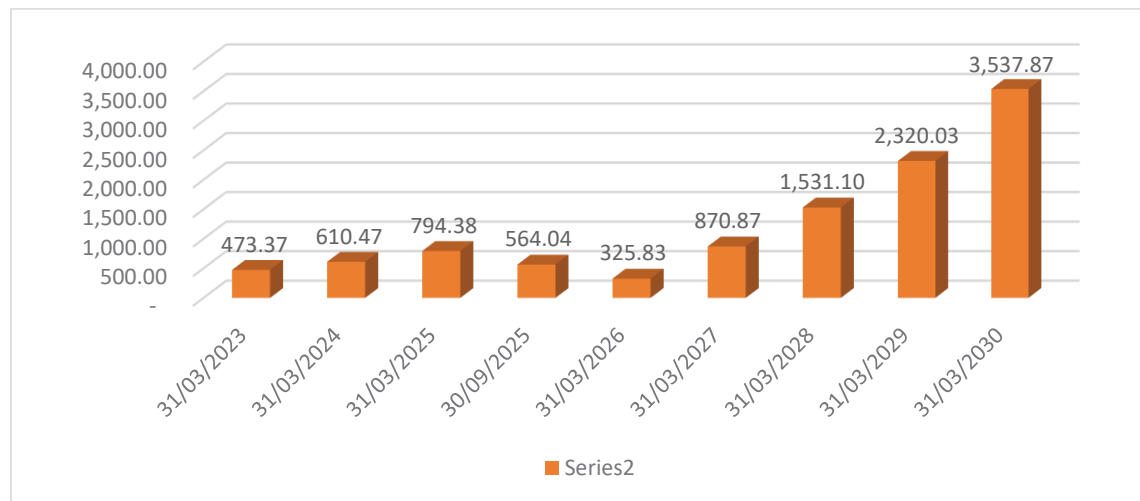


KEY FINANCIAL HIGHLIGHTS (GRAPHICAL OVERVIEW)

Trend of Revenue from FY 2022-23 to FY 2029-30 (INR in Lakhs)



Trend of Profit After Tax from FY 2022-23 to FY 2029-30 (INR in Lakhs)



HISTORICAL FINANCIAL STATEMENT

Income Statement (Amounts in INR Lakhs)	Audited 31-03-2023	Audited 31-03-2024	Audited 31-03-2025
Particulars			
Revenue from Operations	17,644.97	20,166.12	24,553.13
Other Income	61.89	35.58	69.39
Total Revenue	17,706.86	20,201.70	24,622.52
<i>Revenue Growth %</i>	-	14.29%	21.75%
<i>Opening stock COGS</i>	1,498.94	1,666.06	1,566.90
<i>Purchase COGS</i>	11,150.88	12,677.16	16,915.30
<i>Closing stock COGS</i>	1,666.06	1,566.90	2,321.08
Cost of materials consumed	10,983.76	12,776.32	16,161.12
	62.25%	63.36%	65.82%
Stores, spares and tools consumed	2,004.74	1,867.46	2,429.52
	11%	9%	10%
<i>Opening Stock</i>	3,522.78	4,720.36	5,953.61
<i>Closing Stock</i>	4,720.36	5,953.61	8,036.02
	26.75%	29.52%	32.73%
Changes in inventories	(1,197.58)	(1,233.25)	(2,082.41)
	-6.79%	-6.12%	-8.48%
Direct expense	1,657.47	2,018.95	2,611.44
	0.09	0.10	0.11
Employee Benefit Expenses	1,306.17	1,419.64	1,504.96
	7.40%	7.04%	6.13%
Other expenses	807.04	894.45	1,038.15
	4.57%	4.44%	4.23%



TOTAL EXPENSES	15,561.60	17,743.57	21,662.78
EBITDA	2,145.26	2,458.13	2,959.74
<i>EBITDA Margin %</i>	<i>12.16%</i>	<i>12.19%</i>	<i>12.05%</i>
Depreciation & Amortisation	568.64	651.20	696.83
EBIT	1,576.62	1,806.93	2,262.91
<i>EBIT Margin %</i>	<i>8.94%</i>	<i>8.96%</i>	<i>9.22%</i>
Interest expense, net	853.46	954.80	1,231.96
Profit Before Tax (PBT)	723.16	852.13	1,030.95
<i>PBT Margin %</i>	<i>4.10%</i>	<i>4.23%</i>	<i>4.20%</i>
Less: Taxation for earlier years	0.03	0.69	(1.36)
Less: Current Tax	126.00	151.00	185.00
Less: Deferred Tax	123.76	89.97	52.93
Profit After Tax (PAT)	473.37	610.47	794.38

2. Balance Sheet	31-Mar-23	31-Mar-24	31-Mar-25
(Amounts in INR Lakhs)			
Share Capital	978.43	1,075.98	1,208.48
Share money pending allotment	-	-	459.00
Reserve & Surplus	4,233.13	5,044.82	6,715.30
Shareholder's fund	5,211.56	6,120.80	8,382.78
Non-Current Liabilities			
Long-Term Borrowings	2,763.72	2,027.99	1,924.89
Other Long-term liability	316.32	125.92	9.92
Long Term Provision	87.84	106.28	132.20
Deferred Tax Liabilities	609.80	699.77	752.70



	3,777.68	2,959.96	2,819.71
Current Liabilities			
Short-Term Borrowings	5954.16	6358.82	9,834.90
Trade Payables	2300.97	3216.17	3088.04
Other Current Liabilities	541.19	919.80	827.30
Short-Term Provisions	143.72	164.22	200.89
	8,940.04	10,659.01	13,951.13
Total Equity and Liabilities	17,929.28	19,739.77	25,153.62
Fixed Assets			
Fixed Assets	7,294.70	7,960.80	8,290.41
Intangibles Assets	0.80	0.80	0.80
Capital work in progress	390.04	9.23	589.50
	7,685.54	7,970.83	8,880.71
Non-Current Assets			
Other Non-Current Assets	327.95	337.73	350.43
Long term loans and advances	40.85	15.52	36.70
	368.80	353.25	387.13
Current Assets			
Inventories	6,464.69	7,608.13	10,468.38
Trade Receivables	2,910.06	3,264.30	3,587.19
Cash and Cash Equivalents	135.90	187.11	936.87
Short term loans and advances	364.29	356.15	893.34
	9,874.94	11,415.69	15,885.77
Total Assets	17,929.28	19,739.77	25,153.62



LIMITED REVIEWED FINANCIAL STATEMENT

Limited Reviewed Balance Sheet as of 30/09/2025

Particulars	Amount in INR Lakhs
Share Capital	1,208.48
Share money pending allotment	459.00
Other Equity	7,279.34
Total Shareholder Funds	8,946.82
Total Non-Current Liabilities	3,379.60
Total Current Liabilities	13,540.84
Total Equity & Liabilities	25,867.26
Total Non-Current Assets	9,417.70
Total Current Assets	16,449.56
Total Assets	25,867.26

Limited Reviewed Profit and Loss Statement for the period ended 30/09/2025

Particulars	Amount in INR Lakhs
Gross Revenue	13,265.45
Other Income	36.60
Total Income	13,302.05
Total Expenses	12,599.54
Profit Before Tax (PBT)	702.51



VALUATION OF SHARES OF THE COMPANY

We have considered appropriate weightage to all the three methods as discussed above and derived a value of equity share.

Valuation Approach			
	Value per share (INR)	Weight	Total Value (Weight x Price)
A. Market method	138.49	50.00%	69.25
B. DCF	136.87	40.00%	54.75
C. NAV	74.03	10.00%	7.40
TOTAL		100%	131.40
Rounded			131.00

1. Market Approach – (10/90 Days Method)

- The Market Approach reflects how comparable machinery companies are currently valued, capturing real-time investor sentiment and industry trends. It incorporates market-driven expectations regarding growth, scalability, and competitiveness. The 10/90 days method smooths short-term price fluctuations and ensures a more stable valuation base.

A 50% weightage is assigned because market-based evidence is the most relevant and reliable indicator of value for a growth-oriented company like SHARP CHUCKS AND MACHINES LIMITED.

2. Income Approach – (Discounted Cash Flow Method)

- The DCF method assesses the company's intrinsic value by discounting expected future cash flows. It captures long-term financial potential, considering growth prospects, margin improvements, and scalability of operations. Since the method involves assumptions regarding growth rates and discount factors, results may be sensitive to changes in inputs. Therefore, it provides important insight but must be applied cautiously.

A 40% weightage is given as DCF adds value by reflecting future potential but should not dominate due to inherent estimation uncertainties.



3. Cost Approach – (Net Asset Value Method)

- While primary reliance is placed on earning-capacity methods, this allocation ensures that the valuation accounts for the underlying intrinsic worth of the operational infrastructure and plant machinery. This balanced approach mitigates the volatility of future earnings projections by incorporating the historical cost and replacement value of the entity's physical asset base. It serves mainly as a floor value, representing the minimum realizable worth of existing assets.

Therefore, 10% weightage is assigned to NAV method.

CONCLUSION

Pricing Summary for Preferential Allotment

Particulars	Regulatory Reference	Price per Share (Rs.)	Remarks
Minimum Issue Price (10/90 days)	Regulation 164(1) of SEBI ICDR Regulations, 2018	138.49	Formula-based price computed as on the Relevant Date (06/04/2026)
Valuation Price by Registered Valuer	Regulation 166A of SEBI ICDR Regulations, 2018	131.40	Applicable due to change of control / allotment beyond threshold; valuation mandatory
Price to be Considered for Preferential Allotment	As per SEBI requirements	138.49	Higher of the two prices must be taken in case of difference

Since the valuation price under Regulation 166A (Rs. **131.40**) is lower than the minimum price under Regulation 164(1) (Rs. **138.49**), the **issue price for the proposed Preferential Allotment shall be Rs. 138.49 per share** to ensure full compliance with SEBI ICDR Regulations.



Valuation as per Weighted Average for 10 Days preceding the relevant date

DATE	VWAP	VOLUME	VALUE
02-Apr-26	141.71	149000	2,11,15,150.00
01-Apr-26	139.08	24000	33,37,950.00
30-Mar-26	138.09	24000	33,14,250.00
27-Mar-26	137.82	51000	70,29,000.00
25-Mar-26	137.39	11000	15,11,300.00
24-Mar-26	137.46	60000	82,47,850.00
23-Mar-26	137.68	89000	1,22,53,600.00
20-Mar-26	141.25	3000	4,23,750.00
19-Mar-26	138.95	31000	43,07,600.00
18-Mar-26	135.09	96000	1,29,68,650.00
Total		5,38,000.00	7,45,09,100.00
VWAP of 10 Trading 'days			138.49

Valuation as per Weighted Average for 90 Days preceding the relevant date

Date	vwap	VOLUME	VALUE
02-Apr-26	141.71	149000	2,11,15,150.00
01-Apr-26	139.08	24000	33,37,950.00
30-Mar-26	138.09	24000	33,14,250.00
27-Mar-26	137.82	51000	70,29,000.00
25-Mar-26	137.39	11000	15,11,300.00
24-Mar-26	137.46	60000	82,47,850.00
23-Mar-26	137.68	89000	1,22,53,600.00
20-Mar-26	141.25	3000	4,23,750.00
19-Mar-26	138.95	31000	43,07,600.00
18-Mar-26	135.09	96000	1,29,68,650.00



17-Mar-26	130.64	8000	10,45,150.00
16-Mar-26	129.39	57000	73,75,150.00
13-Mar-26	127.48	38000	48,44,300.00
12-Mar-26	128.59	24000	30,86,050.00
11-Mar-26	130.01	14000	18,20,100.00
10-Mar-26	126.93	167000	2,11,97,350.00
09-Mar-26	125.95	38000	47,86,250.00
06-Mar-26	134.69	14000	18,85,650.00
05-Mar-26	133.88	55000	73,63,300.00
04-Mar-26	134.54	29000	39,01,750.00
02-Mar-26	135.06	49000	66,17,700.00
27-Feb-26	137.35	20000	27,46,950.00
26-Feb-26	139.16	50000	69,57,800.00
25-Feb-26	131.82	42000	55,36,350.00
24-Feb-26	130	2000	2,60,000.00
23-Feb-26	130.55	26000	33,94,200.00
20-Feb-26	132.16	70000	92,51,100.00
19-Feb-26	132.72	13000	17,25,400.00
18-Feb-26	Not traded	Not traded	Not traded
17-Feb-26	127.05	1000	1,27,050.00
16-Feb-26	130.13	10000	13,01,250.00
13-Feb-26	128.15	40000	51,25,900.00
12-Feb-26	127.91	9000	11,51,200.00
11-Feb-26	128.93	7000	9,02,500.00
10-Feb-26	130.98	2000	2,61,950.00
09-Feb-26	131.95	6000	7,91,700.00
06-Feb-26	134.77	56000	75,46,900.00
05-Feb-26	133.33	3000	4,00,000.00
04-Feb-26	130.33	6000	7,81,950.00
03-Feb-26	130.84	9000	11,77,600.00
02-Feb-26	132.61	40000	53,04,350.00
01-Feb-26	127.9	41000	52,43,700.00
30-Jan-26	128	3000	3,84,000.00
29-Jan-26	130.84	34000	44,48,450.00



28-Jan-26	128.25	21000	26,93,200.00
27-Jan-26	124.74	38000	47,39,950.00
23-Jan-26	124.99	8000	9,99,900.00
22-Jan-26	116.99	22000	25,73,750.00
21-Jan-26	116.01	8000	9,28,100.00
20-Jan-26	123.11	11000	13,54,250.00
19-Jan-26	127.09	9000	11,43,850.00
16-Jan-26	130.15	1000	1,30,150.00
14-Jan-26	137.67	3000	4,13,000.00
13-Jan-26	135.13	3000	4,05,400.00
12-Jan-26	128.62	46000	59,16,500.00
09-Jan-26	128.63	9000	11,57,650.00
08-Jan-26	129.67	3000	3,89,000.00
07-Jan-26	138.1	6000	8,28,600.00
06-Jan-26	141.84	8000	11,34,700.00
05-Jan-26	147	1000	1,47,000.00
02-Jan-26	143.33	3000	4,30,000.00
01-Jan-26	143.5	1000	1,43,500.00
31-Dec-25	139.5	2000	2,79,000.00
30-Dec-25	139.4	11000	15,33,450.00
29-Dec-25	137.94	8000	11,03,500.00
26-Dec-25	141	1000	1,41,000.00
24-Dec-25	137.94	10000	13,79,350.00
23-Dec-25	138.59	12000	16,63,100.00
22-Dec-25	142.27	6000	8,53,600.00
19-Dec-25	144.51	7000	10,11,550.00
18-Dec-25	146	8000	11,68,000.00
17-Dec-25	146.11	9000	13,15,000.00
16-Dec-25	147.73	20000	29,54,650.00
15-Dec-25	Not traded	Not traded	Not traded
12-Dec-25	151.18	5000	7,55,900.00
11-Dec-25	148.86	8000	11,90,900.00
10-Dec-25	146.67	3000	4,40,000.00
09-Dec-25	148.16	11000	16,29,750.00



08-Dec-25	153.92	31000	47,71,650.00
05-Dec-25	152.79	38000	58,05,950.00
04-Dec-25	145.89	50000	72,94,350.00
03-Dec-25	139.69	8000	11,17,500.00
02-Dec-25	141.55	10000	14,15,500.00
01-Dec-25	142.25	4000	5,69,000.00
28-Nov-25	142.78	10000	14,27,750.00
27-Nov-25	142	5000	7,10,000.00
26-Nov-25	140.87	22000	30,99,150.00
25-Nov-25	143.9	2000	2,87,800.00
24-Nov-25	142.96	27000	38,60,050.00
21-Nov-25	144.33	33000	47,63,050.00
	Total	2083000	28,13,21,150.00
VWAP of 90 Trading 'days			135.06

VWAP Basis (90/ 10 Days)

Particulars	Price (₹)
VWAP for the 10 trading days preceding the Relevant Date (A)	138.49
VWAP for the 90 trading days preceding the Relevant Date (B)	135.06
Minimum Price (Higher of A or B)	138.49



Cost Approach Net Asset Method as on 30.09.2025

SHARP CHUCKS & MACHINES LIMITED		
Computation of the Net Assets		
No.	Particulars	INR in Lakhs
A	Book value of all the assets in the balance sheet	
	Non-Current Assets:	
1	Property, Plant & Equipment	9,061.95
2	Capital Work in Progress	38.71
3	Intangible Assets	1.72
4	Long term loans and advances	4.59
5	Other assets	310.73
	Total Non-Current Assets	9,417.70
	Current Assets:	
1	Inventories	10,567.51
2	Trade Receivables	4,037.32
3	Cash & Cash Equivalents	1,001.37
4	Short term loans and advances	843.36
	Total Current Assets	16,449.56
A	Book Value of all the assets	25,867.26
B	Book value of all the Liabilities in the balance sheet	
	Non-Current Liabilities:	
1	Long Term Borrowing	2,352.59
2	Deferred Tax Liabilities	766.17
3	Long term Provisions	144.92
4	Other Non-Current Liabilities	115.92
	Total Non-Current Liabilities	3,379.60



	Current Liabilities:	
1	Short Term Borrowings	9,470.56
2	Trade Payables	2,558.51
3	Other Current Liabilities	1,369.22
4	Short Term Provisions	142.55
	Total Current Liabilities	13,540.84
B	Book Value of all the Liabilities	16,920.44
	Net Worth [A-B]	8,946.82
	Number of shares outstanding as on Date of Valuation	1,20,84,792
	Value per share	74.03



Method of Valuation
Discounted Cash Flow Method i.e., Discounted Free Cash Flow (DFCF)
(Figures in INR lakhs)

Annexure -3

PARTICULARS	From 01.10.2025 to 31.03.2026	FY 27	FY 28	FY 29	FY 30	Terminal Value
						Perpetual Growth Rate
<i>Cash Accrual Timing Factor</i>	0.25	1.00	2.00	3.00	4.00	
Months	6	12	12	12	12	
PBT (Excluding Other Income)	541.93	1,161.17	2,041.46	3,093.37	4,717.15	
Tax @ 25.168%	216.11	290.29	510.37	773.34	1,179.29	
EBIT(1-Tax)	325.83	870.87	1,531.10	2,320.03	3,537.87	
Add Finance Cost	302.99	1,144.77	1,089.29	1,037.18	1,117.62	
Book Depreciation	299.84	1,144.52	1,144.52	1,144.52	1,144.52	
(Inc)/Dec in Working Capital	-317.54	-1,827.15	-5,364.46	-2,148.09	-1,620.48	
Operating Cash Flows	611.12	1,333.01	(1,599.56)	2,353.64	4,179.53	
(Inc)/Dec in Fixed Assets	-977.90	-7,309.29	0.07	0.07	-	
Free Cash Flows	(366.77)	(5,976.28)	(1,599.49)	2,353.70	4,179.53	46,793.73
Discounting Factor	0.97	0.90	0.81	0.73	0.66	0.66
Present Value of Free Cash Flows	(357.24)	(5,378.68)	(1,295.60)	1,715.88	2,742.25	30,702.10



Summary	Amount (In INR Lakhs)
Present Value of Total Discrete Period Cash Flows	(2,573.39)
Present Value of Terminal Cash Flows	30,702.10
Enterprise value (EV)	28,128.71
Less: Debt	11,823.15
Less: Deferred Tax Liability	766.17
Add: Investment	-
Add: Cash & Cash Equivalent	1,001.37
Equity Value (In INR Lakhs)	16,540.76
Total No. of Shares Outstanding as on valuation date	1,20,84,792
Face Value per Share	10.00
Value per share (INR)	136.87
Value per share (INR) (Round off)	137.00

Cost of Equity through CAPM:	30-Sep-2025
Risk Free Rate (Rf) from investing.com	6.57%
Equity Risk Premium (Rm - Rf)	4.73%
Relevered Beta (β)	1.55
Cost of Equity	13.88%
Company Specific Risk Premium (CSRP)	5.00%
Adjusted Cost of Equity	18.90%



Source of Capital	As on Sep 30, 2025	Weight	Cost Of Resources	Tax Rate	WACC
Equity	8,946.82	37.88%	18.90%		7.16%
Debt	11,823.15	62.12%	8.50%	25.17%	3.95%
	20,769.97	100.00%			11.11%

DFCF Assumptions

Particulars	Notes
Risk free rate (Rf) as on 30.09.2025	6.57% Considered of long-term Indian government bond rate
Market Rate of Return	11.30% Nifty 50 (NSE) returns on long term basis
Industry Beta... (β)	1.55 We have considered an unlevered beta of 0.78 from the Machinery industry as published on Prof. Aswath Damodaran's website. This unlevered beta was subsequently relevered using the company's target capital structure (debt-to-equity ratio and tax rate) to reflect the company's specific financial leverage. This approach ensures that the beta used in the valuation accurately represents the company's systematic risk in line with industry benchmarks.
Additional Company Specific (including Small Company) Risk Premium (unsystematic risk) (CSRP)	5.00% We have given additional risk premium looking into company profile, financial structure and ROI investor will look into while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows and present scenario of the country and company environment in which it is operating.
Cost of Equity (Ke)	18.90% As per Modified CAPM model i.e. $[Ke = Rf + \beta(Rm - Rf) + CSRP]$
WACC	11.11% $WACC = (Ke * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	2% As the perpetuity growth rate assumes that the Company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, investment opportunity etc.



CAVEATS, LIMITATION AND DISCLAIMERS

I. Restriction on use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.

II. Responsibility of RVE

We owe responsibility only to the client that has appointed us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

III. Accuracy of Information

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

IV. Achievability of the forecast results

We do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

V. Value Estimate

The valuation of companies/business and assets is not a precise science and is based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value. Whilst, we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.



VI. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

VII. Reliance on the representations of the clients, their management and other third parties

The client and its management warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.

VIII. No procedure performed to corroborate information taken from reliable external sources

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources or reproduced in its proper form and context.

IX. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not reflected in the balance sheet provided to us.

X. Multiple factors affecting the Valuation Report

The valuation report is tempered by the exercise of judicious discretion by the RVE, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.



XI. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report

We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law.

In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.

XII. Conflict of Interest

We hereby confirm that we have no known present or contemplated interest in the subject company or asset being valued. There is no conflict of interest that would affect our ability to provide an independent and unbiased valuation. In the event any potential conflict arises during or after the course of this engagement, the same shall be disclosed promptly to the client. Our personnel have acted independently and impartially, and the fee for this engagement is not contingent upon the outcome of the valuation or any subsequent event.



THANKING YOU