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**SHARP CHUCKS AND MACHINES LIMITED**  
Corporate Identification Number: U27106PB1994PLC014701

REGISTERED OFFICE		CORPORATE OFFICE		CONTACT PERSON		EMAIL	
A-12, Industrial Development Colony Jalandhar - 144012, Punjab, India		N.A.		Rajat Kathpalia, Company Secretary & Compliance Officer		<a href="mailto:cs@sharpchucks.com">cs@sharpchucks.com</a>	
TELEPHONE / MOBILE NO.				WEBSITE			
+0181 -2610341 / 0181 2611763				<a href="http://www.sharpchucks.com">www.sharpchucks.com</a>			
THE PROMOTERS OF OUR COMPANY ARE AJAY SIKKA AND GOPIKA SIKKA							
Type	Fresh Issue Size	OFS size (by no. of shares or by amount in Rs)	Total Issue Size	Eligibility			
Fresh Issue and an Offer for Sale	9,75,484* Equity shares aggregating to ₹ 565.78 Lakhs	19,28,516*Equity Shares aggregating to ₹ 1,118.54 Lakhs	₹1,684.32 Lakhs*	The Issue is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations.			
* Subject to finalization of Basis of Allotment							
DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS - SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND							
NAME		TYPE		NUMBER OF EQUITY SHARES OFFERED		WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*	
SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND		OTHER SELLING SHAREHOLDER		19,28,516 Equity Shares		₹ 38.89	
*As certified by JMR & Associate, LLP, Chartered Accountants pursuant to their certificate dated September 23, 2023							
RISK IN RELATION TO THE FIRST ISSUE							
This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each and the Issue Price is 5.8 times of the face value of the Equity Shares. The Issue Price determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 102 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.							
GENERAL RISKS							
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India ("SEBI") nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the chapter titled "Risk Factors" beginning on page 23 of this Prospectus.							
COMPANY'S AND SELLING SHAREHOLDER ABSOLUTE RESPONSIBILITY							
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility for and confirms only the statements specifically made by it in this Prospectus solely in relation to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.							
LISTING							
The Equity Shares offered through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In - Principle approval letter dated August 29, 2023 from NSE.							
LEAD MANAGERS TO THE ISSUE				REGISTRAR TO THE ISSUE			
 <b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - [East], Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> Website: <a href="http://www.fedsec.in">www.fedsec.in</a> Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163 Investor Grievance E-Mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a>				 <b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> D-153 A, 1st Floor Okhla Industrial Area, Phase - I, New Delhi - 110020, Delhi, India Tel No.: 011-40450193-97 Email: <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a> Contact Person: Anuj Rana SEBI Registration No.: INR000003241			
ISSUE PROGRAMME							
ISSUE OPENS ON: Friday, September 29, 2023				ISSUE CLOSES ON <sup>^</sup> : Wednesday, October 04, 2023			

<sup>^</sup>UPI mandate end time and date shall be at 5:00 pm on the Issue Closing Date.



**SHARP CHUCKS AND MACHINES LIMITED**

Our Company was originally incorporated in Jalandhar, Punjab as “Sharp Garden Implements Private Limited”, a private company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 10, 1994 issued by the Registrar of Companies, Punjab, H.P & Chandigarh. Subsequently, the name of our Company was changed to “Sharp Chucks And Machines Private Limited” a certificate of incorporation pursuant to change of name dated October 09, 1995 was issued by Registrar of Companies, Punjab, H.P & Chandigarh. Further, our Company was converted from a private limited company to a public limited company and consequently, the name of our Company was changed to “Sharp Chucks And Machines Limited”, and a fresh certificate of incorporation dated August 12, 2004 was issued by the Registrar of Companies, Punjab, H.P & Chandigarh to our Company. Thereafter, our Company was again, converted from a public limited company into a private limited company and consequently, the name of our Company was changed to “Sharp Chucks And Machines Private Limited”, and a fresh certificate of incorporation dated February 27, 2014 was issued by the Registrar of Companies, Punjab, & Chandigarh to our Company. Subsequently, our Company was again converted from a private limited company into a public limited company, pursuant to a special resolution passed by the shareholders at the extraordinary general meeting dated December 07, 2022 and consequently, the name of our Company was changed to “Sharp Chucks and Machines Limited”, and a fresh certificate of incorporation was granted by the Registrar of Companies, Chandigarh dated December 20, 2022. For details of change in the name of our Company and address of registered office of our Company, please refer to section titled “*History And Certain Corporate Matters*” on page 159 of this Prospectus

**Registered Office:** A-12, Industrial Development Colony, Jalandhar - 144012, Punjab, India **Tel No. / Mob No:** +0181 -2610341 / 0181- 2611763;

**Email:** [cs@sharpchucks.com](mailto:cs@sharpchucks.com) ; **Website:** [www.sharpchucks.com](http://www.sharpchucks.com)

**Contact Person:** Rajat Kathpalia, Company Secretary & Compliance Officer

**OUR PROMOTERS: AJAY SIKKA AND GOPIKA SIKKA**

THE ISSUE	
<p><b>INITIAL PUBLIC ISSUE OF 29,04,000* EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (“EQUITY SHARES”) OF SHARP CHUCKS AND MACHINES LIMITED (“THE COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹58/-PER EQUITY SHARE (THE “ISSUE PRICE”), (INCLUDING A PREMIUM OF ₹48/- PER EQUITY SHARE), AGGREGATING TO ₹ 1,684.32 LAKHS (“THE ISSUE”), COMPRISING A FRESH ISSUE OF 9,75,484 EQUITY SHARES AGGREGATING UP TO ₹ 565.78 LAKHS (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF 19,28,516 EQUITY SHARES (“OFFERED SHARES”) BY SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND (AGGREGATING TO ₹ 1,118.54 LAKHS (“OFFER FOR SALE”), AND TOGETHER WITH THE FRESH ISSUE, THE “OFFER”). THE 1,48,000 EQUITY SHARES OF FACE VALUE OF ₹10/- FOR CASH AT A PRICE OF ₹58/- PER EQUITY SHARE (THE “ISSUE PRICE”), (INCLUDING A PREMIUM OF ₹48/- PER EQUITY SHARE), AGGREGATING ₹ 85.84 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 27,56,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹58/- PER EQUITY SHARE (THE “ISSUE PRICE”), (INCLUDING A PREMIUM OF ₹48/- PER EQUITY SHARE), AGGREGATING TO ₹ 1,598.48 LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.99% AND 25.61% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED “TERMS OF THE OFFER” BEGINNING ON PAGE NO 250 OF THIS PROSPECTUS.</b></p>	
<b>*SUBJECT TO FINALISATION OF BASIS OF ALLOTMENT</b>	
THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH AND THE ISSUE PRICE IS 5.8 TIMES OF THE FACE VALUE	
<p>THIS ISSUE IS BEING MADE THROUGH FIXED PRICE PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE “SEBI (ICDR) REGULATIONS”), AS AMENDED AND RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED “<i>ISSUE PROCEDURE</i>” BEGINNING ON PAGE 256 OF THIS PROSPECTUS.</p>	
<p>All potential investors shall participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, please refer to chapter titled “<i>Issue Procedure</i>” on page 256 of this Prospectus. A copy of the Prospectus will be filed with the Registrar of Companies in accordance with Section 26 of the Companies Act, 2013.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹10/- per Equity Shares and the Issue price is ₹ 58/-per Equity Share (including a premium of ₹ 48/- per equity share) and the Issue Price is 5.8 times of the face value. The Issue Price as determined by our Company in consultation with the Lead Manager as stated in the chapter titled on “<i>Basis for Issue Price</i>” beginning on page 102 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the chapter titled “<i>Risk Factors</i>” beginning on page 23 of this Prospectus.</p>	
COMPANY’S ABSOLUTE RESPONSIBILITY	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regards to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and the intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares offered through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India (“NSE EMERGE”), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In- Principle Approval letter dated August 29, 2023 from NSE EMERGE for using its name in this Offer Document for listing of our shares on the NSE EMERGE. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited (“NSE”).</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<p><b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - [East], Mumbai - 400 057, Maharashtra, India. <b>Tel No.:</b> +91 81049 85249 <b>E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Contact Person:</b> Saipan Sanghvi <b>SEBI Registration Number:</b> INM000010163 <b>Investor Grievance E-Mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a></p>	<p><b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> D-153 A, 1st Floor Okhla Industrial Area, Phase - I, New Delhi - 110020, Delhi, India <b>Tel No.:</b> 011-40450193-97 <b>Email:</b> <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a> <b>Contact Person:</b> Anuj Rana <b>SEBI Registration No.:</b> INR000003241</p>
ISSUE PROGRAMME	
<b>ISSUE OPENS ON:</b>	<b>Friday, September 29, 2023</b>
<b>ISSUE CLOSES ON:</b>	<b>Wednesday, October 04, 2023</b>

^UPI mandate end time and date shall be at 5:00 pm on the Issue Closing Date

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## SECTION - I - GENERAL

### DEFINITION AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines, or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations, 2018, the Companies Act, 2013, the SCRA, the Depositories Act, 1996 and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled *“Statement of Tax Benefits”*, *“Restated Financial Statement”*, *“Outstanding Litigations and Material Developments”*, *“Key Industry Regulations and Policies”* and chapter titled *“Main Provision of Articles of Association”* on pages 111, 184, 228, 152, 283 respectively of this Prospectus, shall have the meanings ascribed to such terms in the respective chapters.

### CONVENTIONAL OR GENERAL TERMS

Term	Description
Sharp Chucks and Machines Limited, SCML, We or us or Our Company or the Issuer	Unless the context otherwise indicates or implies refers to Sharp Chucks and Machines Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its Registered office at, A-12 Industrial Development Colony Jalandhar - 144012, Punjab, India.
Promoter(s) / Core Promoter(s)	Ajay Sikka and Gopika Sikka
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of SEBI ICDR Regulations as disclosed in the chapter titled <i>“Our Promoter and Promoter Group”</i> beginning on page 179 of this Prospectus.
you, your or yours	Prospective Investors in this Offer

### CORPORATE RELATED TERMS

Term	Description
AOA / Articles / Articles of Association	The Articles of Association of Sharp Chucks and Machines Limited, as amended from time to time.
Auditors / Statutory Auditors	The Statutory Auditor of our Company, being M/s Sharp & Tannan, Chartered Accountants (FRN:000452N)
Audit Committee	The Audit Committee of our Board, as described in chapter titled <i>“Our Management”</i> beginning on page 164 of this Prospectus.
Board / Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted from time to time including any Committees thereof as the context may refer to.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Rajat Kathpalia.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Gopika Sikka
Corporate Identification Number (CIN)	U27106PB1994PLC014701
Director(s)	Director(s) on the Board of Sharp Chucks and Machines Limited as appointed from time to time, unless otherwise specified
Equity Shares/Shares	Equity Shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof.
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company.
Group Companies	Companies (other than our Subsidiaries) with which there were Related Party Transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in chapter titled <i>“Our Group Companies”</i> beginning on page 183 of this Prospectus.
Independent Director	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act, 2013 and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled <i>“Our Management”</i> beginning on page 164 of this Prospectus.

Term	Description
ISIN	International Securities Identification Number is INE460Q01014
Key Management Personnel /KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 164 of this Prospectus.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of the Board of Directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178(1) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “ <i>Our Management</i> ” beginning on page 164 of this Prospectus.
NRI / Non-Resident Indian	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or offer of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Registered Office	A-12 Industrial Development Colony, Jalandhar - 144012, Punjab, India.
Registrar of Companies / ROC / RoC	Registrar of Companies, Punjab and Chandigarh, 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, Chandigarh - 160019, Punjab, India
Restated Financial Statements	The Restated Statement of Assets and Liabilities for the year ended March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information”), thereto disclosed in chapter titled “ <i>Restated Financial Statements</i> ” beginning on page 184 of this Prospectus.
Share Subscription Agreement / SSA	Subscription cum Shareholders agreement entered between our Company, Ajay Sikka and Gopika Sikka and SIDBI Venture Capital Limited and other shareholders dated April 22, 2014.
Shareholders/ Members	Holders of equity shares of our Company from time to time
Stakeholders’ Relationship Committee	The Stakeholders Relationship Committee of the Board of Directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “ <i>Our Management</i> ” beginning on page 164 of this Prospectus

#### OFFER RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms.
Acknowledgement Slip	The acknowledgement slips or document issued by the Designated Intermediary to an applicant as proof of having accepted the Application Form.
Allot / Allotment / Allotted / Allotment of Equity Shares	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholder pursuant to the Offer for Sale to the successful applicant.
Allottee(s)	A successful Applicant to whom the Equity Shares are being allotted.
Allotment Advice	Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only.
Application Lot	2,000 Equity Shares and in multiples thereof

Term	Description
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant which will be considered as the application for Allotment in terms of the Prospectus
Banker to the Offer / Refund Banker / Public Offer Bank	Collectively, Escrow Collection Bank, Public Offer Bank, Sponsor Bank and Refund Bank, as the case may be. In this case, being, ICICI Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer, described in chapter titled " <b>Offer Procedure</b> " beginning on page 258 of this Prospectus.
Business Day	Any day on which commercial banks are open for the business
CAN / Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number of the Applicant's Beneficiary Account
Collection Centers	Broker Centers notified by National Stock Exchange of India Limited where bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website of the EMERGE platform of National Stock Exchange of India Limited
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Offer and National Stock Exchange of India Limited and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Draft Prospectus	Draft Prospectus dated June 30, 2023
Demographic Details	The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Offer.
Designated Market Maker	Nikunj Stock Brokers Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a> .

Term	Description
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Designated Stock Exchange	National Stock Exchange of India Limited (NSE EmERGE i.e. EMERGE platform of NSE)
Prospectus	This Prospectus issued in accordance with the SEBI ICDR Regulations.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Offer and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
Exchange Circulars	NSE circular no. 23/2022 dated July 22, 2022
SME Platform / SME Exchange / Stock Exchange /	EMERGE Platform of the National Stock Exchange of India Limited i.e. “NSE EMERGE”
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount.
Escrow Agreement	An agreement to be entered among our Company, the Registrar to the Offer, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Manager for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof.
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an Offer and with whom the Escrow Accounts will be opened, in this case being ICICI Bank Limited
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws.
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations
Fresh Offer	The fresh offer of 9,75,484 Equity Shares at a price of ₹58/- per equity share (including premium of ₹48/- per equity share) aggregating to ₹565.78 Lakhs to be issued by our Company as part of this Offer, in terms of the Prospectus
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by SEBI, suitably modified, and included in the chapter titled “Offer Procedure” beginning on page 258 of this Prospectus
Lead Manager/ LM	The Lead Manager to the Offer namely, Fedex Securities Private Limited
Listing Agreement	The Listing Agreement to be signed between our Company and EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE)
Lot Size	The Market lot and Trading lot for the Equity Share is 2,000 and in multiples of 2,000 thereafter; subject to a minimum allotment of 2,000 Equity Shares to the successful applicants
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int</a>

Term	Description
	mId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Making Agreement	The Market Making Agreement dated September 16, 2023 between our Company, the Lead Manager and Market Maker.
Market Maker Reservation Portion	The Reserved portion of 1,48,000 Equity shares of ₹10/- each at an Offer Price of ₹58/- per equity share (including premium of ₹48/- per equity share) aggregating to ₹85.84 Lakhs for Designated Market Maker in the Public Offer of our Company
MSME	Micro Small and Medium Enterprises.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of 27,56,000 Equity Shares of face value of ₹10.00/- each fully paid-up of our Company for cash at a price of ₹58/- per equity share (including premium of ₹48/- per equity share) /- per Equity Share aggregating ₹1,598.48 Lakhs
Net Proceeds	The Offer Proceeds less the Offer related expenses. For further details, please refer to chapter titled “ <i>Objects of the Offer</i> ” beginning on page 94 of this Prospectus.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
Other than Retail Individual Investor / Non-Institutional Bidders /Non-Institutional Investor / NIB/ NII	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000.
Overseas Corporate Body/ OCB	A company, partnership, society, or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Offer.
Offer/Issue	This Initial Public Offer of 29,04,000 Equity Shares for cash at an Offer Price of ₹58/- per equity share (including premium of ₹48/- per equity share) comprising of Fresh Offer of 9,75,484 Equity Shares for cash at an Offer Price of ₹58/- per equity share (including premium of ₹ 48/- per equity share) aggregating to ₹ 565.78 Lakhs by our Company and Offer for sale of 19,28,516 Equity Shares for cash at an Offer Price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share) aggregating to ₹ 1,118.54 Lakhs by the Selling Shareholder.
Offer Agreement/Issue Agreement	The agreement dated June 29, 2023, entered amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Closing date/Issue Closing Date	The date on which the Offer closes for subscription being October 04, 2023
Offer Opening date/Issue Opening date	The date on which the Offer opens for subscription being September 29, 2023
Offer Period/Issue period	The period between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants can submit their applications inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of applicants.
Offer Price/Issue Price	The final price at which Equity Shares will be Allotted to the successful Applicants, as determined in accordance with the Fixed Price Method and determined by our Company and the Selling Shareholder, in consultation with the LM in terms of the Prospectus on the Pricing Date
Offer Proceeds/Issue proceed	The gross proceeds of the Offer which shall be available to our Company, based on the total number of Equity Shares Allotted at the Offer Price. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” beginning on page 94 of this Prospectus
Offered Shares/Issue Shares	Shall mean the Equity Shares offered by the Selling Shareholder in the Offer by way of Offer for Sale

Term	Description
Offer for Sale	An offer for sale of 19,28,516 Equity Shares aggregating ₹ 1,118.54 Lakhs by the Selling Shareholder as part of this Offer, in terms of this Prospectus
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require.
Prospectus	The Prospectus issued in accordance with Companies Act, 2013 filed with the EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE) under SEBI (ICDR) Regulations 2018.
Public Offer Account	The account to be opened with the Banker to the Offer under section 40 of Companies Act, 2013 to receive monies from the ASBA Accounts.
Peer Review Auditor	M/s JMR & Associates LLP, Chartered Accountants (FRN: 106912W)
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations.
Refund Account	Account to which Application monies are to be refunded to the Bidders
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Refund Bank / Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Account will be opened, in this case being ICICI Bank Limited.
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of NSE EMERGE having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Registrar Agreement	The agreement dated June 29, 2023 among our Company and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer/Registrar	Registrar to the Offer being Skyline Financial Services Private Limited
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Offer Period and withdraw their Application Forms until Offer Closing Date.
SME	Small and medium sized enterprises
Self-Certified Syndicate Bank(s) / SCSBs	The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Investors (other than a RIIs using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , or at such other websites as may be prescribed by SEBI from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and

Term	Description
	( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
Selling Shareholder	SIDBI Trustee Company Limited A/c India Opportunities Fund
Share Escrow Agent	Share Escrow Agent appointed pursuant to the Share Escrow Agreement, in this case being, Skyline Financial Services Private Limited
Selling Shareholder Escrow Agreement	Selling Shareholder Escrow Agreement dated September 19, 2023 entered amongst the Selling Shareholder, our Company, Fedex Securities Private Limited and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by each Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Sponsor Bank	Sponsor Bank being ICICI Bank Limited being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Stock Exchange	Stock Exchange Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Syndicate Member	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter.
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form
Underwriter	Fedex Securities Private Limited
Underwriting Agreement	The Agreement dated September 16, 2023 entered between the Underwriter and our Company
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI
UPI Applicants/Bidders	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Portion. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/ dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 the Exchange Circulars; and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI
UPI PIN	Password to authenticate UPI transaction
UPI Mandate Request	A request (intimating the RIIs by way of a notification on the UPI application and by way of a SMS directing the RIIs to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorize blocking of funds on the UPI application

Term	Description
	equivalent to application Amount and subsequent debit of funds in case of Allotment In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intnmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intnmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intnmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intnmId=43</a> ) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by RIIs in accordance with the UPI Circulars to make an ASBA Bid in the Offer
U.S Securities Act	U.S. Securities Act of 1933, as amended
WACA	Weighted average cost of acquisition, on a fully diluted basis
Wilful Defaulter or a fraudulent borrower	An entity or a person categorized as a Wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Days	“Working Day” shall mean all days, excluding all Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business and in case of the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### TECHNICAL /GENERAL AND INDUSTRY RELATED TERMS OR ABBREVIATIONS

Term	Description
ACMA	Automobile Component Manufacturers Association
ABS	Anti-locking Braking System
AMP	Automotive Mission Plan
AMT	Automated Manual Transmission
AWD	All Wheel Drive
CAGR	Compounded Annual Growth Rate
CAD	Computer Aided Design
CV	Commercial Vehicles
DPIIT	Department for Promotion of Industry and Internal Trade
EV	Electric Vehicle
EVCi	Electric Vehicle Charging Infrastructure
FDI	Foreign Direct Investment
FAME	Faster Adoption & Manufacturing of Electric Hybrid Vehicles
GDP	Gross Domestic Product
HCVs	Heavy Commercial Vehicles
HPDC	High Pressure Die Casting
LCVs	Light Commercial Vehicles
IBEF	India Brand Equity Foundation
IMF	International Monetary Fund
US	United States of America
WEO	World Economic Outlook
US\$	US Dollar
OEMs	Original Equipment Manufacturers
PLI	Production-Linked Incentive
R&D	Research and Development
LCV	Light Commercial Vehicles
2W	Two Wheelers
4W	Four Wheelers

## CONVENTIONAL TERMS & ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CGST	Central GST
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
COPRA	The Consumer Protection Act, 1986
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications, and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
Contract Act	The Indian Contract Act, 1872
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's Identity Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization Less other Income
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
EPFO	Employees' Provident Fund Organization
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	The Employees' State Insurance Act, 1948
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder

Term	Description
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal Year / FY	Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBEF	India Brand Equity Foundation
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEC	Import Export Code
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financial Reporting Standards
Rs. / Rupees / INR / ₹	Indian Rupees
IGST	Integrated GST
IT Act	Income-tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
KMP	Key Managerial Personnel
Ltd.	Limited
LM	Lead Manager
IT Act	Income-tax Act, 1961
IT Rules	Income Tax Rules, 1962
Kms	Kilometres
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds-based lending rate
Mn	Million
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MoU	Memorandum of Understanding
N.A. / NA	Not Applicable
NSE	National Stock Exchange of India Limited
NPCI	National payments corporation of India
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account

Term	Description
NSDL	National Securities Depository Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEZ	Special Economic Zones
SEBI	The Securities and Exchange Board of India constituted under SEBI Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations/ SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sq. metres	Square Metres
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TPA	Tonnes Per Annum
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
WCTL	Working Capital Term Loan
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
WEO	World Economic Outlook
WHO	World Health Organization
YoY	Year on Year

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements.” These forward-looking statements generally can be identified by words or phrases such as “aim,” “anticipate,” “are likely,” “believe,” “continue,” “can,” “could,” “expect,” “estimate,” “intend,” “may,” “likely,” “objective,” “plan,” “propose,” “project,” “seek” “will,” “will achieve,” “will continue,” “will likely,” “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans, or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in the Prospectus that are not statements of historical facts constitute “forward-looking statements.” All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals, and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Our ability to successfully implement our growth strategy and expansion plans;
- Our exposure to risks associated with fluctuations in foreign exchange rates;
- Our ability to retain and hire key employees or maintain good relations with our workforce;
- General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
- Our failure to keep pace with rapid changes in technology;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Increased competition in industries/sector in which we operate;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
- Changes in government policies and regulatory actions that apply to or affect our business
- Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.; and

For further discussion of factors that could cause the actual results to differ from the expectations, see the chapter titled “*Risk Factors*” “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 23, 131 and 214 of this Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to applicants that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Applicants are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect the current views as of the date of this Prospectus and are not a guarantee of future performance.

These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the Lead Manager, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date

hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

In accordance with regulatory requirements of SEBI and as prescribed under applicable law, our Company will ensure that investors in India are informed of material developments from the date of filing of the Prospectus until the date of Allotment. In accordance with the requirements of SEBI, the Selling Shareholder will ensure that investors are informed of material developments in relation to the statements and undertakings specifically undertaken or confirmed by it in the Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholder to the extent of information pertaining to it and/or its respective portion of the Offered Shares, as the case may be, in this Prospectus shall be deemed to be statements and undertakings made by the Selling Shareholder.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references in this Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government,' 'Indian Government,' 'GoI,' 'Central Government' or the 'State Government' are to the GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Prospectus is derived from our Restated Statement of Assets and Liabilities for the year ended March 31, 2023, as at March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on "Reports in Company Prospectus", as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled "**Restated Financial Statements**" beginning on page 184 of this Prospectus.

Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

In the Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the chapter titled "**Risk Factors**", "**Business Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page numbers 23, 131 and 214 respectively, of this Prospectus and elsewhere in the Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### INDUSTRY AND MARKET DATA

Unless otherwise stated, Industry and Market data used throughout this Prospectus has been obtained from publicly available industry publications and Government data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although our Company believes that industry data used in the Prospectus is reliable, it has not been independently verified by the Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

Further, the extent to which the industry and market data presented in the Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

### CURRENCY AND UNITS OF PRESENTATION

#### Currency and units of presentation

In the Prospectus, unless the context otherwise requires, all references to;

- 'Rupees' or '₹' or 'Rs.' Or 'INR' or "₹" are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency,

All references to the word ‘Lakh’ or ‘Lac,’ means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million.’

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

### **Exchange Rates**

This Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

<b>Currency#</b>	<b>As on March 31, 2023</b>	<b>As on March 31, 2021</b>	<b>As on March 31, 2020</b>
1 USD	₹ 82.22	₹ 73.50	₹ 75.39

(Source: -www.fbil.org.in)

- (1) In case of a public holiday, the previous working day not being a public holiday has been considered.
- (2) The reference rates are rounded off to two decimal places.

## SUMMARY OF OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus, including the chapter titled “*Risk Factors*,” “*Business Overview*,” “*Industry Overview*,” “*Capital Structure*,” “*The Offer*” and “*Outstanding Litigation and Other Material Developments*” beginning on pages 23, 131, 120, 59, 44 and 228 respectively of this Prospectus.

### SUMMARY OF BUSINESS

We believe we are one of few integrated companies to have the capability to manufacture forging products, casting products and machined components, that finding its application in a diverse industry, such as tractor, automobile, material handling & earth moving equipment, valves & pumps, sugar plants, steel mills, cement plants, railways & defence, machine tools, DIY industry, etc.

We manufacture these products from carbon steel, alloy steel and stainless-steel pipes, coils, plates, structures and forgings conforming to international standards. We believe, our manufacturing facilities have advanced technologies to develop and manufacture the products that meet the stringent quality control requirements of our customer.

For more details please refer to chapter titled “*Our Business*” on page 131 of this Prospectus.

### SUMMARY OF INDUSTRY

India’s auto component industry is an important sector driving macroeconomic growth and employment. The industry comprises players of all sizes, from large corporations to micro entities, spread across clusters throughout the country. The auto components industry accounted for 2.3% of India’s GDP and provided direct employment to 1.5 million people. By 2026, the automobile component sector will contribute 5-7% of India’s GDP. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026.

For more details, please refer to chapter titled “*Industry Overview*” beginning on page 120 of this Prospectus.

### PROMOTERS

As on date of this Prospectus Ajay Sikka and Gopika Sikka are our Promoters. For further details, please refer chapter titled “*Our Promoters and Promoter Group*” on page 179 of this Prospectus.

### SIZE OF OFFER

<b>Present Offer of Equity Shares by our Company</b>	29,04,000 Equity shares of ₹10/- each for cash at a price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share) aggregating to ₹ 1,684.32 Lakhs
<b>The Offer consists of:</b>	
<b>Fresh Offer</b>	9,75,484 Equity Shares of face value of ₹10/- each fully paid up for cash at a price of ₹ 58/- per Equity Share (including premium of ₹ 48/- per equity share aggregating ₹ 565.78 Lakhs
<b>Offer for Sale</b>	19,28,516 Equity Shares of face value of ₹ 10/- each fully paid up for cash at a price of ₹ 58/- per Equity Share (including premium of ₹ 48/- per equity share) aggregating ₹ 1,118.54 Lakhs
<b>Of which:</b>	
<b>Offer Reserved for the Market Maker</b>	1,48,000 Equity shares of ₹10/- each for cash at a price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share) aggregating to ₹ 85.84 Lakhs
<b>Net Offer</b>	27,56,000 Equity shares of ₹10/- each for cash at a price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share) aggregating to ₹ 1,598.48Lakhs

The Offer has been authorized by a resolution of our Board dated March 28, 2023 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated April 15, 2023. Further, our Board has taken on record the consents of the Selling Shareholder in its meeting held on June 30, 2023.

Selling Shareholder confirm through consent letter dated June 28, 2023 that the Equity Shares being offered by them are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. Selling Shareholder has consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For further details, please refer to chapter titled “*Terms of the Offer*” beginning on page 250 of this Prospectus.

## OBJECTS OF THE OFFER

Our Company intends to utilize the Net Proceeds for the following objects (“*Objects of the Offer*”):

(₹ in Lakhs)

Particulars	Amount
Funding our Working Capital requirements	267.00
General corporate purposes*	38.78
<b>Net Proceed</b>	<b>305.78</b>

\*The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds

For further details, please refer to chapter titled “*Objects of the Offer*” beginning on page 94 of this Prospectus.

## PRE-OFFER SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP AND SELLING SHAREHOLDERS AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

The aggregate pre-issue shareholding of our Promoters, the members of our Promoter Group (other than our Promoters), and the Selling Shareholder, as a percentage of the pre-issue paid-up Equity Share capital of our Company is set out below:

Particulars	Pre-Offer	
	Number of Equity Shares	Percentage (%) holding
<b>Promoters (A)</b>		
Ajay Sikka	49,33,740	50.42%
Gopika Sikka	17,84,620	18.24%
<b>Total (A)</b>	<b>67,18,360</b>	<b>68.66%</b>
<b>Promoter Group (B)</b>		
Ajay Sikka HUF	2,53,026	2.59%
Late Ramesh Rani	3,15,471	3.22%
Suman Bala	5,68,685	5.81%
<b>Total (B)</b>	<b>11,37,182</b>	<b>11.62%</b>
<b>Selling Shareholder</b>		
SIDBI Trustee Company Limited A/c India Opportunities Fund	19,28,516	19.71%
<b>Total (C)</b>	<b>19,28,516</b>	<b>19.71%</b>
<b>Total (A+B+C)</b>	<b>97,84,058</b>	<b>99.99%</b>

## SUMMARY OF SELECTED FINANCIAL INFORMATION FROM RESTATED FINANCIAL STATEMENTS

The following information has been derived from our Restated Financial Statement for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 :

Particulars	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Share Capital (₹ in Lakhs)	978.43	978.43	978.43
Networth (₹ in Lakhs) <sup>(1)</sup>	5,234.79	4,728.29	4,275.67
Revenue from operations (₹ in Lakhs)	17,644.97	15,190.78	13,545.94
Profit after Tax (₹ in Lakhs)	506.50	452.62	330.96
Earnings per share (Basic & diluted) (₹) <sup>(2)</sup>	5.18	4.63	3.38
Net Asset Value per Equity Share (Basic & diluted) (₹) <sup>(3)</sup>	53.50	48.33	43.70
Total borrowings (₹ in Lakhs) <sup>(4)</sup>	9,034.20	10,269.35	6305.37

- (1) Net Worth amounts are calculated as sum of equity share capital and other equity.
- (2) Basic Earnings Per Share and diluted earning per share (₹) = Restated PAT attributable to Equity Shareholders/Weighted Average Number of Equity Shares outstanding during the nine months/year.
- (3) Restated Net Asset Value per equity share (₹) = Restated Net Worth as at the end of the nine months or year / Total Number of Equity Shares outstanding during the nine months or year.
- (4) Total borrowing means long term borrowing and short-term borrowing including current maturity of long term borrowing

## QUALIFICATIONS OF AUDITORS

There are no qualifications included by the Statutory Auditors in their audit reports and hence, no effect is required to be given in the Restated Financial Statements.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of outstanding litigation proceedings as on the date of this Prospectus as disclosed in the chapter titled “Outstanding Litigation and Other Material Developments” in terms of the SEBI ICDR Regulations is provided below:

(₹ in Lakhs)

Name of Entity	Criminal Proceedings	Actions by Regulatory Authorities	Tax Proceedings	Other Material Proceedings	Aggregate Amount Involved
By the Company*	1	NIL	NIL	NIL	5.01
Against the Company	NIL	NIL	1	NIL	51.55
By the Promoters	NIL	NIL	NIL	NIL	NIL
Against the Promoters	NIL	NIL	NIL	NIL	NIL
By the Directors	NIL	NIL	NIL	NIL	NIL
Against the Directors	NIL	NIL	1	NIL	0.02
By Group Companies	(As on date of this Prospectus, the Issuer Company does not have any Group Company)				
Against Group Companies					
By Subsidiaries	(As on date of this Prospectus, the Issuer Company does not have any Subsidiary Company.)				
Against Subsidiaries					

(1) Our Company filed a criminal complaint against M/s GSK Industries and its partner for dishonouring a cheque for Rs.5,01,058/- under Section 138 of the Negotiable Instruments Act. The accused placed an order for tractor parts, issued a cheque to settle the payment, but it was dishonoured. After issuing a legal notice and the accused's non-appearance in court, a non-bailable warrant has been summoned against them. Further, Judicial Magistrate First class-18 vide order dated August 11, 2023 bearing CIS no. NACT/4965/2021 stipulated that publication charges deposited but could not be issued due to less than 30 days. In furtherance to that the hon'ble court has given time till October 12, 2023. Therefore, the matter is presently pending.

(2) Our Company filed 2 separate Applications vide SVLDRS – 1 in January 2020 under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 to resolve the pending litigation of the Period July, 2014. We have paid out the liability and discharged the amount of Rs.3,74,125/-towards the application. The Company has received general order A/60019-60482/2021dated February 09, 2021 and the ‘discharge certificate’ is pending to be received; and

Our Company received a Notice of Demand for a tax amount of Rs.47,81,620/- based on the Income Tax Return filed in 2017. Despite filing an appeal, the rejection led to the imposition of the tax demand and a penalty. The Company is currently in the process of filing an appeal before the Income Tax Appellate Tribunal (ITAT).

The amount has been mentioned to the extent ascertainable and quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Prospectus. For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 228 of this Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer chapter titled “*Risk Factors*” beginning on page 23 of this Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Claims against the Company not acknowledged as debt</b>			
Income tax liability that may arise in respect of which the Company is under appeal (Net of pre deposit)	38.25	38.25	-
Bank Guarantees	9.33	9.33	-
Letter of Credit	90.00	90.00	-
Claim against the Company not acknowledged as debt	-	-	-
<b>Total</b>	<b>137.58</b>	<b>137.58</b>	<b>-</b>

\*Contingent liabilities related to Income Tax Act, 1961, where appeal was lying with CIT - Appeals for A.Y. 2017-18, for dispute regarding tax on Unexplained Investments

For further information on such contingent liabilities, please refer to chapter titled “Restated Financial Statement - Annexure VI- Contingent Liabilities” on page on page 184 of this Prospectus.

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives (as defined in Companies Act, 2013) have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Prospectus.

#### WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTERS AND SELLING SHAREHOLDERS

The weighted average price at which the equity shares were acquired by our Promoters and the Selling Shareholder in the one year preceding the date of this Prospectus, is set forth below:

Name	Number of Equity Shares	Weighted Average Cost of Acquisition per Equity Share (in ₹)
<b>Promoters</b>		
Ajay Sikka	8,82,820	3.51
Gopika Sikka	17,450	10
<b>Selling Shareholder</b>		
SIDBI Trustee Company Limited A/c India Opportunities Fund	Nil	Nil

\*As certified by JMR & Associates LLP, Chartered Accountants, pursuant to their certificate dated September 23, 2023

#### AVERAGE COST OF ACQUISITION OF PROMOTERS AND SELLING SHAREHOLDERS

The average cost of acquisition per Equity Share to our Promoters and Selling Shareholder as at the date of this Prospectus, is set forth below:

Name	No. of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)
<b>Promoters</b>		
Ajay Sikka	4933740	9.99
Gopika Sikka	1784620	7.94
<b>Selling Shareholder</b>		
SIDBI Trustee Company Limited A/c India Opportunities Fund	1928516	38.89

\*As certified by JMR & Associates LLP, Chartered Accountants, pursuant to their certificate dated September 23, 2023

For further details of the average cost of acquisition of our Promoters, see “Capital Structure - Build-up of the Promoters’ shareholding in our Company” on page 59 of this Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

A summary of the related party transactions entered into by our Company in Fiscals 2021, 2022, 2023 derived from the Restated Financial Statement is detailed below:

(₹ in Lakhs)

Sr. No	Name	Nature of Relationship	Nature of Transaction	For the Year Ended					
				March 31, 2023		March 31, 2022		March 31, 2021	
				Amount of Transaction	Outstanding amount	Amount of Transaction	Outstanding amount	Amount of Transaction	Outstanding amount
1	Shri Ajay Sikka	Managing Director	Salary	18.00	3.53	18.00	1.80	16.50	0.75
			Unsecured Loan obtained	89.00		369.00	-	50.00	-
			Unsecured Loan repaid	100.90		265.00	-	60.00	-
			Outstanding unsecured Loans		158.22	-	170.12	-	66.12
			Loan Under stipulation promoter		86.00	-	86.00	-	86.00
2	Smt. Gopika Sikka	Whole time Director and Chief Financial Officer	Salary	9.00	5.26	9.00	4.70	8.25	5.98
			Unsecured Loan obtained	-		36.00	-	-	-
			Unsecured Loan repaid	-		30.00	-	-	-
			Outstanding unsecured Loans	-	35.50	-	35.50	-	29.50
			Loan Under stipulation promoter		5.00	-	5.00	-	5.00
3	Shri Ajay Sikka (HUF)	Karta is Director	Outstanding unsecured Loans	-	-	-	-	-	4.00
			Unsecured Loan repaid	-	-	4.00	-	-	-
4	Smt Suman Bala	Sister of Mr. Ajay Sikka	Loan Under stipulation promoter	-	9.00	-	9.00	-	9.00
			Outstanding unsecured Loans	-	22.60	-	22.60	-	22.60
5	Shri Dinesh Sikka	Relative of Ajay Sikka	Unsecured Loan obtained	-	-	-	-	-	15.00
			Unsecured Loan repaid	-	-	15.00	-	-	-

#### **DETAILS OF PRE-IPO PLACEMENT**

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus till the listing of the Equity Shares.

#### **ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR**

Our Company has not issued any Equity Shares for consideration other than cash in the last 1 (one) year from the date of this Prospectus.

For details, please refer to chapter titled “*Capital Structure*” beginning on page 59 of this Prospectus.

#### **SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Prospectus.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS GRANTED BY SEBI**

Our Company has not applied to SEBI for any exemption from complying with any provisions of the securities laws since its incorporation.

## SECTION - II - RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this chapter in conjunction with “**Business Overview**”, “**Industry Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 131, 120 and 214, respectively of, as well as the financial and other information contained in this Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further details, please see the chapter titled “**Forward-Looking Statements**” beginning on page 13 of this Prospectus.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for financial year ended Fiscal 2023, Fiscal 2022 & Fiscal 2021 included in this Prospectus. For further details, please see the chapter titled “**Restated Financial Statements**” beginning on page 184 of this Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

### Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

### INTERNAL RISK FACTORS

1. ***Our Company as well as our Independent Director are party to certain tax proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is a party to certain tax proceedings. Mentioned below are the details of the proceedings involving our Company as well as our Independent Director, as on the date of this Prospectus along with the amount involved, to the extent quantifiable. Tax Proceedings/Matters involving our Company, Promoters and the Directors :-:

(₹ in Lakhs)

Name of Entity	Criminal Proceedings	Actions by Regulatory Authorities	Tax Proceedings	Other Material Proceedings	Aggregate Amount Involved
By the Company <sup>(1)</sup>	1	NIL	NIL	NIL	5.01
Against the Company <sup>(2)</sup>	NIL	NIL	1	NIL	51.55
By the Promoters	NIL	NIL	NIL	NIL	NIL
Against the Promoters	NIL	NIL	NIL	NIL	NIL
By the Directors	NIL	NIL	NIL	NIL	NIL
Against the Directors	NIL	NIL	1	NIL	0.02

By Group Companies	(As on date of this Prospectus, the Issuer Company does not have any Group Company)
Against Group Companies	
By Subsidiaries	(As on date of this Prospectus, the Issuer Company does not have any Subsidiary Company.)
Against Subsidiaries	

(1). Our Company filed a criminal complaint against M/s GSK Industries and its partner for dishonouring a cheque for ₹.5.01 Lakhs- under Section 138 of the Negotiable Instruments Act. The accused placed an order for tractor parts, issued a cheque to settle the payment, but it was dishonoured. After issuing a legal notice and the accused's non-appearance in court, a non-bailable warrant has been summoned against them. Further, Judicial Magistrate First class-18 vide order dated August 11, 2023 bearing CIS no. NACT/4965/2021 stipulated that publication charges deposited but could not be issued due to less than 30 days. In furtherance to that the hon'ble court has given time till October 12, 2023. Therefore, the matter is presently pending.

(2). Our Company filed 2 separate Applications vide SVLDRS – 1 in January 2020 under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 to resolve the pending litigation of the Period July, 2014. We have paid out the liability and discharged the amount of Rs.3,74,125/-towards the application. The Company has received general order A/60019-60482/2021dated February 09, 2021 and the 'discharge certificate' is pending to be received; and Our Company received a Notice of Demand for a tax amount of Rs.47,81,620/-based on the Income Tax Return filed in 2017. Despite filing an appeal, the rejection led to the imposition of the tax demand and a penalty. The Company is currently in the process of filing an appeal before the Income Tax Appellate Tribunal (ITAT).

The amount has been mentioned to the extent ascertainable and quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Prospectus. For further details, please refer the chapter titled "**Outstanding Litigation and Material Developments**" on page no. 228 of this Prospectus.

There can be no assurance that these tax matters/proceedings will be decided in favour of our Company and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases please refer the chapter titled "**Outstanding Litigations and Material Developments**" on page 246 of this Prospectus.

**2. Our Restated Financial Statements are prepared and signed by the Peer Review Auditor who is not Statutory Auditors of our Company as required under the provisions of SEBI (ICDR) Regulations 2018.**

Our Restated Financial Statements are prepared and signed by M/s. JMR & Associates LLP, Chartered Accountant who is holding valid peer review certificate and they are appointed as the Peer Review Auditor of our Company for providing Restated Financial Statement for the financial year ended on 2023, 2022 and 2021 as required under the provisions of the SEBI (ICDR) Regulations 2018 and they are not the Statutory Auditor of our Company.

**3. We are heavily dependent on the performance of the tractor industry and automobile. Major upsets or slowdown adversely affecting the tractor industry and automobiles and its ancillary industries can impact our business, results of operations, financial condition and cash flows.**

Our business is heavily dependent on the performance of the automobile sector particularly, tractors market and commercial vehicles in India. We are therefore exposed to fluctuations in the performance of these markets. In the event of a decrease in demand in these markets or any developments that make the sale of components in these markets less economically beneficial, we may experience pronounced effects on our business, results of operations and financial condition.

There exists relationship between machine tool industry and automobiles and its ancillary industries. Performance of automobiles and its ancillary industries will affect the performance of machine tool industry which may affect our operation and may prove detrimental to our growth. Also, any economic slowdown in the automobile manufacturing and sales, both globally and in regions, in which we operate, may significantly affect our revenues and our growth prospects. The automotive market is affected by, amongst other things, changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, which may negatively affect the demand of our products which may materially adversely affect our business, results of operations and financial condition.

**4. *Substantial portion of our revenues has been dependent upon our top five clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability***

Our top five customers account for a substantial portion of our sales, and consequently our revenue, and we expect that such key customers will continue to represent a substantial portion of our revenue from sale of products in the foreseeable future. Our total sales to our top 5 customers are 73.78%, 65.58% and 68.55% to a substantial portion of our revenues from operations Financial Year ended March 31, 2023, Financial Year ended March 31, 2022, Financial Year ended March 31, 2021. Since we are largely dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have a material adverse effect on our business, financial condition, results of operations and future prospects. We have not entered into formal arrangements or contracts with our customers to purchase the products from us except, where we had entered into arrangement by providing a bank guarantee to General Manager, Ammunition Factory (Unit of Munitions India Limited Khadki, Pune on behalf of President of India (herein after referred to as the Government) We work on purchase order basis with our customers based on their demand. Since we have no formal arrangements with our customers, they are not contractually obligated to purchase minimum quantity of products from us and may choose to purchase the products from our competitors. We cannot assure you that we will be able to continue to retain these customers on terms that are commercially acceptable to us, or at all. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business.

**5. *We extend significant credit terms to our customers and are subject to counterparty credit risk. Any deterioration in such customers' financial position and their ability to pay or our inability to extend credit in line with market practice may adversely impact our profitability.***

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business model, we supply our products directly to our existing customers without taking any advance payment or security deposit against the orders placed by them, however for some instance our Company had taken advance from the customer. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments for an order over which our Company have devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

**6. *We rely on third party suppliers to provide our raw materials and we have limited control over them and may not be able to obtain required quality raw materials on a timely basis or in sufficient quantity which may have a material adverse effect on our results of operations.***

Our Company is engaged in the business of manufacturing of machine tools, casting and forging, and pig iron, MS scrap, CI boring, stamping and round / flat iron is used as the primary raw material during our manufacturing process. Therefore, we are highly dependent on third party local supplier, and it forms the most important and primary component of our manufacturing process. Our top ten suppliers constitute 69.61%, 88.31% and 63.51% of our total purchases for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021 respectively. If we experience significant increased demand, or need to replace an existing manufacturer, there can be no assurance that additional supplies of raw materials or additional manufacturing capacity will be available when required on terms that are acceptable to us, or at all, or that any supplier or manufacturer would allocate sufficient capacity to us in order to meet our requirements or fill our orders in a timely manner. Even if we are able to expand existing or new raw material sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers in our methods, products and quality control standards. Any delays, interruption or increased costs in the supply of raw materials or manufacture of our products could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term. In addition, there can be no assurance that our suppliers and manufacturers will continue to provide raw materials products that are consistent with our standards.

7. ***Our business is dependent on our manufacturing facilities which are located in Jalandhar, Punjab, India. Any loss or shutdown of operations at any of our manufacturing facilities may have an adverse effect on our business and results of operations.***

We have manufacturing facilities located in Jalandhar, Punjab, India. As a result, the concentration of our entire manufacturing facilities in one particular region exposes us to the risk of any adverse conditions in this region, such as labour disputes, natural calamities, industrial accidents, civil disturbances or any adverse political, social or economic conditions, the occurrence of which could have a material adverse effect on our business, financial condition and results of operations. We have not experienced any of these operating risks in the past. Although, we have contingency plans to meet most of our operating risks. However, we cannot assure you about the adequacy of such plans.

In addition, our customer rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption of operations of our manufacturing facilities could result in delayed delivery of our products or defects in the products delivered to our customers, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. Our business and financial results may be adversely affected by any disruption of operations of our manufacturing facilities, on account of factors including any or all of the factors mentioned above.

8. ***Our products adhere to strict quality control requirements because of which we have gained the trust and confidence of our customers and our inability to maintain such quality standards on consistent basis could adversely impact our business, results of operations and financial condition***

Success of our business depends upon quality of our products. We have gained the trust and confidence of our customers due to the emphasis placed by us on the quality of products manufactured by us. Any rapid change in our customers expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to comply with the design specifications of our customers or meet their quality expectations may lead to cancellation of the supply orders placed by our customers or reduction in the volume of orders given to us. This could adversely affect our business, results of operations and financial condition of the Company.

9. ***Our business is subject to various operating risks at our factory, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.***

Our business operations are subject to operating risks, such as breakdown or failure of equipment's used at our factory, interruption in power supply, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, industrial accidents, our inability to respond to technological advancements and emerging realty industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse effect on our business operations and financial conditions.

10. ***Our Company has availed unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition.***

Our Company, as per the Restated Financial Statement, has availed total sum of ₹ 819.91 Lakhs as on March 31, 2023, which may be recalled at any time. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer the chapter "**Financial Indebtedness**" on page no. 223 of this Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

11. ***Our Company has negative cash flows from its operating, investing and financing activities, details of which are given below. Any such recurrence in future, could impact our growth and business.***

Our Company had negative cash flows from its operating, investing and financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under:

(₹ in Lakhs)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Net Cash Flow from / (used in) Investing Activities.	(1,890.16)	(1,362.47)	(1,037.69)
Net Cash Flow from / (used in) Financing Activities	(2,088.60)	3,304.50	379.34

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations. For further details see chapter on **“Management’s Discussion and Analysis of Financial Conditions and Results of Operations of our Company”** beginning on page no. 214 of this Prospectus.

**12. Our contingent liabilities could materially and adversely affect our business, results of operations and financial condition.**

A summary of our contingent liabilities, as indicated in our Restated Financial Statements is as follows:

(in ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Claims against the Company not acknowledged as debt</b>			
Income tax liability that may arise in respect of which the Company is under appeal (Net of pre deposit)	38.25	38.25	-
Bank Guarantees	9.33	9.33	-
Letter of Credit	90.00	90.00	-
Claim against the Company not acknowledged as debt	-	-	-
<b>Total</b>	<b>137.58</b>	<b>137.58</b>	<b>-</b>

Contingent liabilities related to Income Tax Act, 1961, where appeal was lying with CIT - Appeals for A.Y. 2017-18, for dispute regarding tax on Unexplained Investments.

For further information, see **“Restated Financial Statements - Annexure VI”** on page 184 of this Prospectus.

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, financial condition and results of operations. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfil, our business, financial condition and results of operations may be materially and adversely impacted.

**13. Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business and financial condition.**

Certain of our financing arrangements impose restrictions on the utilization of the loan for certain specified purposes only. Moreover, certain of our financing documents contain provisions that may limit our ability to incur future debt and create security and require us to obtain the respective lenders’ consent prior to carrying out certain activities and entering into certain transactions. While, as on the date of this Prospectus, we have obtained requisite consents from our lenders for undertaking the Offer, failure to obtain requisite consents in the future in a timely manner or at all could have significant consequences on our business, prospects and operations. While we have not breached any covenants in the past, a failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the loans/facilities, imposition of penal interest, appointment of a nominee director by the lender on our Board and enforcement of security. Additionally, working capital facilities, availed by us are typically repayable on demand. In the event any or all of our lenders, demand immediate repayment of facilities availed from them, we may be unable to procure alternative financing in a timely manner at acceptable terms. The lenders may have the right to withdraw their facilities in the event of any change in circumstances, including, any material change in the ownership or shareholding pattern of our Company. Such financing agreements may also require us to maintain certain financial ratios. Certain of our loans can also be recalled by lenders at any time. If the lenders exercise their right to recall a loan, it could have an adverse effect on our reputation, business and financial position. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness.

Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict

our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms. Additionally, our cost of borrowing may increase when there is a change in LIBOR rates and a resultant increase in interest rates for our existing loans. These ultimately may have an impact on our business and financial health.

**14. *Our Promoter/Directors has given personal guarantees in relation to certain financing arrangements provided to us by our lenders which may not continue after the completion of the issue.***

Our Company has availed multiple credit facilities from the Canara Bank against which our Promoter/Directors had given their personal guarantees to the Canara Bank. These facilities are secured against land and building, stock and book debts. In addition to that bank has demanded the personal guarantees of our Promoter Directors of our Company. The liability of our Promoter Directors who has given personal guarantee is to the extent of their personal assets. We have historically depended on guarantees provided to our lenders by our Promoters in order to help fund our operations and business expansion.

Under certain financial arrangements with our lenders, our Promoters has given personal guarantees for repayment of the credit facilities availed by us. Any default or failure by us to repay its loans in a timely manner, or at all could trigger repayment obligations in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters of our Company, thereby having an effect on our business, results of operation and financial condition.

Further, our Promoter may not provide any financial or other support or withdraw or terminate their guarantees and collateral security, after the completion of the issue. In such event our lenders for such facilities may ask for alternate guarantees and collateral security, repayment of amounts outstanding under such facilities, or even terminate such facilities. Furthermore, if the financial condition of our Promoters deteriorates, our existing financing arrangements with our lenders may be adversely affected. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. We cannot assure you that such contributions to us by our Promoters will be on terms comparable with such past transactions or continue in future at all. This could have a material adverse effect on our business and financial condition. For further details, please see the chapter titled "**Financial Indebtedness**" on page 241 of this Prospectus.

**15. *A substantial portion of our assets are hypothecated or mortgaged in favour of lenders as security for some of our fund-based and non-fund-based borrowings.***

Our lenders may enforce the security in the event of our failure to service our debt obligations which may adversely affect our business, financial condition and results of operations. As on March 31, 2023, we had total short term borrowing and long-term borrowings of ₹ 5042.76 lakhs and ₹ 3080.04 Lakhs respectively. These borrowings are secured, among others, through a charge by way of hypothecation on our present and future current assets and fixed assets as well as through mortgage on our land and buildings. Please refer the chapter titled "**Financial Indebtedness**" on page 184 of this Prospectus. As these assets are hypothecated or mortgaged, our rights in respect of transferring or disposing of these assets are restricted. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

**16. *Our Promoter and Promoter Group will continue to retain majority shareholding in our Company after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

As on date of this Prospectus, our Promoter and Promoter Group hold approximately 73.01 % of the post issue share capital of our Company. Accordingly, our Promoter and Promoter Group will continue to exercise significant influence over our business affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoter and promoter Group as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoter will act to resolve any conflicts of interest in our favor.

**17. *We require certain approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-obtaining or non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. For example, a) we cannot trace the original certificates of certain Government Approvals which inter-alia includes Employees State Insurance certificate for Unit-I and Unit-II, although we have challans to support the same; b) Our Company is also not in the possession of Punjab State Development Tax certificate. However, the company has an acknowledgement receipt for the same; c) Our Company has obtained the certificate for 'consent to establish' (Air and Water) in the year 2007 for address A - 10, Industrial Development Colony, bye pass, Jalandhar, Jalandhar, PB-144012. Our Company is not in possession of 'Consent to establish' for address Vpo-Dhogri, Pathankot road, Jalandhar, Punjab but we are in possession of 'Consent to operate' for both the address. However, we have applied for the duplicate thereof; and d) Our Company is in a process of applying change of name from 'Sharp Chucks and Machines Private Limited' to 'Sharp Chucks and Machines Limited' and e) Our Company is in the process of updating Goods and Service Tax identification number.

There has been instance of delay payment to statutory authority with respect to GST, PF and ESIC due to internal reconciliations, on account of technical glitches and uncertain unavoidable reasons. However, our Company had taken steps to overcome these delays by making proper allocation of work to the employees, and providing timely reconciliations of the records.

There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals.

Also, our Company is in the process of making application for change in name in all the permits, licenses and approvals, which are under Company's former name.

Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. For further details regarding the material approvals, licenses, registrations and permits, please refer to chapter titled "**Government and Other Approvals**" and "**Key Industry Regulations and Policies**" beginning on page no. 250 and 165 of this Prospectus.

**18. *We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.***

Our manufacturing facilities and administrative offices have significant electricity requirements and any interruption in power supply to our manufacturing facilities and administrative offices may disrupt our operations. Our Company had applied extension of existing load from having 2489.989 kW/ 2495 kVA to 4000 kW/ 3995 kVA which have been received from Punjab State Power Corporation Limited dated December 09, 2020. Our business and financial results may be affected by any disruption of operations. We depend on Punjab State Power Corporation Limited for all of our electricity requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may impact our business margins.

Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost and production cost which we may not be able to pass on to our customers, which may negatively affect our business, financial condition and results of operations.

**19. *We are subject to risks associated with rejection of our products consequential to defects, which could adversely affect our business, results of operations or financial condition.***

Defects, if any, in our products could lead to rejection of sold products and consequential return liability. In the event of return of such defective products could have adverse effect on our business, results of operations or financial condition.

We cannot assure you that no such claims will be brought against us in the future or that such claims will be settled in our favour. Any such successful claims against us could adversely affect our results of operations.

20. ***Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency are based on management estimates and may be subject to change based on various factors, some of which beyond our control. Any changes in the estimated funding requirements could affect our business and results of operations.***

We intend to utilize the Net Proceeds of the Issue as set forth in “***Objects of the Issue***” beginning on page 94 of this Prospectus. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, interest or exchange rate fluctuations, increase in input costs, labour costs, logistics and transport costs, incremental preoperative expenses, taxes and duties, start-up costs, engineering procurement and construction costs, regulatory costs, environmental factors, other external factors and since we have not presently entered into any definitive agreements for the use of the Net Proceeds. Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

21. ***Industry information of the Company included in this Prospectus has been derived from different industrial association and other governmental sources and reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. We have referred different industrial association and other governmental sources and reports for purposes of inclusion of such information in this Prospectus. This data is subject to various limitations and based upon certain assumptions that are subjective in nature. None of our Company, the Lead Manager or any other person connected with the Issue has independently verified such information. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the Lead Manager or any of our or its respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, there is no assurance that such information is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

22. ***Pricing pressure from our customers may adversely affect our gross margin, profitability and ability to increase our prices, which may in turn have a material adverse effect on our results of operations and financial condition.***

We manufacture and supply, high-quality precision machine tools, forging and casting for the automotive sectors. We have in the past experienced and may continue to experience pressure from our customers to reduce our prices, which may affect our profit margins going forward. In addition, as any price reduction is the result of negotiations and factors that may be beyond our control, we, like other manufacturers, must be able to reduce operating costs and increase operating efficiencies in order to maintain profitability. As our business is very capital intensive, requiring us to maintain a large, fixed cost base, our profitability is dependent, in part, on our ability to spread fixed costs over higher sales volume. However, we may not be able to spread such fixed costs effectively as our customers generally negotiate for larger discounts in price as the volume of their orders increases. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our results of operations and financial condition may be materially adversely affected.

23. ***Our future funds requirements, in the form of fresh issue of capital or securities and or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised

in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**24. *Employee misconduct could harm us and is difficult to detect and deter.***

Although we monitor our employees, misconduct, including acts of bribery, corruption or fraud by employees or executives, such acts could include binding us to transactions that exceed authorized limits or present unacceptable risks, or they may hide unauthorized or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our business and our reputation.

**25. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties with respect to remuneration paid to our directors and loan availed and repayment from them. For further information, please refer to the chapter titled “**Restated Financial Statements- Related Party Transaction- Annexure VII**” beginning on page 184 of this Prospectus. We cannot assure you that we will receive similar terms in our related party transaction in the future and that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. While our Company confirm that all the related party transactions have been conducted on the arm’s length basis and they are in compliance with the relevant provisions of Companies Act, 2013 and other applicable law but there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. The transactions we have entered into and any further transactions that we may have with our related parties could potentially involve conflicts of interest which may be detrimental to us. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

**26. *Certain of our corporate records and certain other documentation are not traceable or have discrepancies. We cannot assure you that any regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard***

We do not possess some of the prescribed forms filed with the Registrar of Companies, Punjab, particularly relating to forms filed with RoC. However, for that records, our Company have only certified copies for Annual Return filed with RoC pertaining to the period prior to 2006.

Our Company was incorporated in the year 1994, certain documents have been untraceable on account of shifting of registered office from one place to another. Thus, the history of our Company with regard to certain share allotments and authorised capital presented in this period. Minutes for the said allotment are available with Company, thus the nature of allotment and resolution cannot be traced. The details in respect of share allotments have been inserted based on the Form - 2 filed with ROC and limited information available with the Company. For more details, please refer to chapter titled “**Capital Structure**” beginning on page 59 of this Prospectus.

Further our Company had taken all the necessary steps to rectify errors in our corporate records. We have included these details in this Prospectus by way of other corporate records, such as the relevant minutes book, registers and audited financial of the Company. We also cannot assure you that we will not be subject to any adverse action by any authority in relation to such untraceable records.

Additionally, in relation to the build-up of the equity shareholding of our Promoters, the share transfer forms for certain past transfers by our Promoters could not be traced or certain records are inconsistent or we do not otherwise possess the share transfer forms indicating the consideration involved.

Accordingly, we have relied on other available corporate records, including statutory registers, annual returns and ledger accounts in order to include information relating to such transfers. While certain information in relation to the share transfers has been disclosed in this Prospectus including in “**Capital Structure**” beginning on page 59 based on the aforementioned documents, we may not be able to furnish any further information other than as already disclosed herein.

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as mentioned above, as of the date of this Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future.

Further, due to the non-availability of the requisite statutory records, we may not be able to present the requisite documentary evidence to validate our point which may lead to any penal actions being taken against the Company and its operations may get adversely affected.

**27. *We have had certain inaccuracy in relation to regulatory filings to be made with the RoC and our company has made non compliances of certain provision under applicable law.***

In the past, there have been certain instances of inaccuracy in relation to return of allotment and annual returns filed with ROC for instance, the list of shareholders and transfers are not attached with annual return filed, our Company had made errors in transfer list attached with annual return and number of shareholders are wrongly mention in annual return Further there are some instances where forms are belatedly filed in RoC with requisite additional fees.

For instance, at the time of conversion of preference share to equity share the list was wrongly attached to the Form 2 in the year 2011-2012. In following allotment the list of Allottee was not attached in the Form 2 in the year 2000-2001, 2001-2002 and 2005-2006.

Further our Company had taken all the necessary steps to rectify error in corporate records, such as the relevant board resolutions and the register of members of our Company.

Although no show cause notice have been issued against our Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

**28. *The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholder could be lower than the Issue Price.***

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company and the Selling Shareholder, in consultation with the Lead Managers. Further, our Promoter had acquired Equity Shares from the transferor which is lesser than face value per Equity Shares of the Company. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters “*Capital Structure*” beginning on page 59 of this Prospectus.

**29. *We depend on our senior management and other personnel, and if we are unable to recruit and retain qualified and skilled personnel, our business and our ability to operate or grow our business may be adversely affected.***

Our success depends to a large extent on the continued services of our senior management and other personnel. In an event they no longer work for us, there is no assurance that we will be able to find suitable replacements for such Key Managerial Personnel in a timely manner or at all and implement a smooth transition of responsibilities to any newly appointed management personnel. The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect our results of operations.

We are a technology driven company with significant focus and investment in our in-house engineering capabilities. Our future success, amongst other factors, will depend upon our ability to continue to attract and retain qualified personnel, particularly engineers and other associates with critical expertise, know-how and skills that are capable of helping us develop technologically advanced systems and components and support key customers and products. The specialized skills we require in our industry are difficult and time consuming to acquire and, as a result, are in short supply. We require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations. This could have an adverse effect on our business and results of operations. Our success also depends, in part, on key customer relationships forged by our senior management team.

If we were to lose these members of the senior management, we cannot assure you that we will be able to continue to maintain key customer relationships or renew them, which could adversely affect our business, financial condition, results of operations and cash flows

**30. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.***

We intend to use the net proceeds raised pursuant to the Issue as set forth under “*Objects of the Issue*” beginning on page 94 of this Prospectus. In terms of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of Rs, 10,000.00 Lakhs. The management of our Company

will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this chapter "**Risk Factors**", may limit or delay our Company's efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

**31. *Increases in interest rates may materially impact our results of operations.***

Substantially all of our secured debt carries interest at floating interest rates or at rates that are subject to adjustments at specified intervals. We are exposed to interest rate risk in respect of contracts for which we have not entered into any swap or interest rate hedging transactions, although we may decide to engage in such transactions in the future. We may further be unable to pass any increase in interest expense to our existing customers. Any such increase in interest expense may have a material effect on our business, financial condition, results of operations and cash flows. Furthermore, if we decide to enter into agreements to hedge our interest rate risk, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us fully against our interest rate risk.

**32. *Our Registered Office is not owned by us. In the event we lose such rights, our business, financial condition and results of operations and cash flows could be adversely affected.***

Our registered office situated at A-12 Industrial Development Colony Jalandhar - 144012, Punjab, India, are not owned by us and is owned by our Promoter for which NOC has been provided to our Company. Our Company has not entered into any agreement with the Promoter to use the premises as our registered office. Our Promoter has given premise on rent free basis. In the event our Promoter revokes the NOC, we may be required to vacate our office and identify alternative premises. Further, we cannot assure you that we will be able to continue the above arrangement on commercially acceptable / favorable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangement for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favorable. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition

**33. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "**Dividend Policy**" on page 222 of this Prospectus.

**34. *Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material adverse effect on our business and financial condition.***

While we maintain insurance coverage, in amounts which we believe are commercially appropriate, we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business, reputation, results of operations, financial condition and cash flows.

**35. *Certain of our Promoters, Directors and Key Management Personnel may be interested in us other than in terms of remuneration and reimbursement of expenses, and this may result in conflict of interest with us.***

In future certain of our Promoters, Directors and Key Management Personnel may interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and our stock options and benefits arising therefrom. Our Promoter may also interest in us to the extent of his shareholding in us and any benefits arising therefrom. We cannot assure you that our Promoter, certain of our Directors and Key Management Personnel will exercise their rights as shareholders to our benefit and best interest.

**36. *Our Company's logo is not registered under the Trademarks Act, 1999 as on date of this Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third-party intellectual property rights.***

Our Company will re-apply for the Trademark with the Trade Marks Authority. Our Company's success largely depends on our image and our trademark is important for differentiating our Company's products from that of our competitors. Our Company is currently conducting its business using the trademark, which is not yet registered with the Trademarks Authority. Our company has applied for trademark application and logo under the provisions of the Trademarks Act, 1999. The status of our trademark and logo is abandoned because the same/similar trademark is /are already on the record of the registrar for the same/ similar goods/services, the current status may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill.

As of the filling of this Prospectus, our Company has not received any notice or action from the third party for the infringement of any Trademark. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial condition. Trademark Application Details are as follows:

Sr. No.	Logo	Trademark	Class	Applicant	Application Number	Date of Application	Registration Status
1.		Sharp with Device	07	Sharp Chucks & Machines Limited	01628029	December 05, 2007	Abandoned
2.	-	Sharp	07	Sh. Ajay Sikka	699671	February 26, 1996	Abandoned

Further, we may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a licence, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licences or design modifications can be extremely costly. Furthermore, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, the settlement of which could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition. For further details, please see chapter “**Business Overview - Intellectual Property Rights**” on page 131 of this Prospectus.

**37. *Any failure to adapt to industry trends and evolving technologies to meet our customers’ demands may materially adversely affect our business and results of operations.***

Changes in consumers’ preferences, regulatory or industry requirements, or competitive technologies may render certain of our products obsolete or less attractive.

We could also face competition for potential future revenue streams if our competitors are able to commercialize certain innovations before we can do so. We may have to procure a license for the technology, which may not be available on reasonable terms, if at all, and may significantly increase our operating expenses or may require us to restrict our business activities in one or more respects. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If we fail to develop sufficient revenue streams covered by adequately robust intellectual property rights, we could lose market share and revenues to competitors. Any of these developments, alone or in combination, may have a material adverse effect on our business, results of operations and financial condition.

**38. *We are dependent on third parties for the transportation and timely delivery of our products to customers.***

We rely on third parties for the transportation services for the timely delivery of our products to our customers located in India. Our domestic operations use road transportation. Therefore, we face a risk that there could be deficiency or interruption in these third-party services.

**39. *Our operations are subject to environmental, health and safety laws, which could result in material liabilities in the future.***

We are subject to applicable laws and regulations and customer specifications with respect to the protection of the environment and employee health and safety in each of the jurisdictions in which we operate. Our manufacturing processes and products are subject to stringent quality and safety standards and new laws and regulations may be imposed from time to time that may increase our compliance costs or restrict our operations. There can be no assurance that these requirements will not become more stringent over time.

**40. *Information relating to the installed capacity and capacity utilisation included in this Prospectus is based on various assumptions and estimates and capacity utilisation may vary.***

Information relating to the installed capacity and capacity utilisation included in this Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered accountant in the calculation of our installed capacity and capacity utilisation. Future capacity utilisation rates may vary significantly from the estimated production capacities of our manufacturing facilities and historical capacity utilization rates. In addition, capacity utilisation is calculated differently in different countries, industries and for the different kinds of products we manufacture. Undue reliance should therefore not be placed on our historical installed capacity and capacity utilisation for our existing manufacturing facilities included in this Prospectus. Please refer chapter titled “**Our Business**” – **Installed Capacity and Capacity Utilisation**” on page 131.

**41. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. Any dilution or deficiency in our internal control system may expose us to additional risks.

**42. *We may be subject to significant risks and hazards when operating and maintaining our units, for which our insurance coverage might not be adequate.***

As on the date of this Prospectus, we operate from our two units located in Jalandhar, Punjab. We generally perform scheduled and unscheduled maintenance. In addition to natural risks such as earthquake, flood, lightning, cyclones and wind, other hazards, such as fire, structural collapse and machinery failure are inherent risks in our operations. They can cause significant personal injury or loss of life, severe damage to and destruction

of property, plant and equipment and may result in the suspension of operations. The occurrence of any one of these events may result in our being named as a defendant in lawsuits asserting claims for substantial damages, including for cleanup costs, personal injury and property damage and fines and/ or penalties.

**43. *An inability to renew quality accreditations in a timely manner or at all, or any deficiencies in the quality of our products may give rise to product liability claims and negatively affect our business prospects and financial performance.***

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by certification issuing agencies. If we fail to comply with applicable quality standards or if we are otherwise unable to obtain such quality accreditations in the future in a timely manner or at all, our business prospects and financial performance may be negatively affected.

**44. *We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.***

Our industry is labour intensive. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. We do not have any trade union registered under the Trade Unions Act, 1926. In the past three years, we have not experienced any labour dispute. We do not have any formal policy for redressal of labour disputes. Although we have not experienced any major interruption to our operations as a result of labour disputes in the recent past, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. We may also have to incur additional expense to train and retain skilled labour. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience labour unrest in the future, which may delay or disrupt our operations. Any labour unrest including labour disputes, strikes and lockouts, industrial accidents, experienced by us could directly or indirectly prevent or hinder our normal operating activities and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption of our business, results of operations and financial condition could be materially and adversely affected.

**45. *We may not be able to sustain effective implementation of our business and growth strategies.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on Optimal Utilization of Resources and to develop relationships with customer and suppliers. For further details, see the chapter titled “***Business Overview - Our Strategies***” on page 131 of this Prospectus. Our success in implementing our growth strategies may be affected by:

- Our ability to increase revenue from our existing customer;
- Our ability to increase our customer base;
- Our ability to maintain the quality of our products;
- Our ability to improve efficiencies.

Our Company if is not able to execute our strategy on time and within our estimated budget, or that our expansion and development plans fails to increase our profitability. Any of these factors could impact our results of operations. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have an effect on our business, financial condition and profitability.

**46. *Our Company will not receive any proceeds from the Offer for Sale portion, and the Selling Shareholder shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by him in the Offer for Sale.***

One of the Offer includes an offer for sale of such number of Equity Shares aggregating 19,28,516 Equity Shares by the Selling Shareholder. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholder pursuant to the Offer for Sale, and our Company will not receive any such proceeds. Further, all cost, fees and expenses (including all applicable taxes) in respect of the Offer which will be borne by our Company in accordance with SSA Agreement.

**47. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue

proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**48. *We face foreign exchange risks that could adversely affect our results of operations and cash flows***

We have foreign currency receivables for sale of our products and are therefore, exposed to foreign exchange risk between the Indian Rupee and U.S. Dollars and other foreign currencies. There can be no assurance that we shall not be subject to foreign currency exchange losses in the future. Further, volatility in exchange rates would result in an increase in the cost of our products. Our Company had not enter into contract to hedge exchange rate fluctuations. We bear the complete risk of currency exchange rate fluctuations. We may not be able to pass on such increase in costs to our customers. Any significant fluctuation in the value of the Indian Rupee against such currencies may adversely affect our results of operations. Any appreciation of foreign currencies against the Indian Rupee may result in reduction of our margins and consequently have an adverse effect on business and result of operations. The following income received due to foreign exchange fluctuations for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

*(₹ in Lakhs)*

Particulars	As at March 31, 2023	March 31, 2022	March 31, 2021
PMRY EPF subsidy received	12.34	13.79	4.94
Rebate (PSPCL)	218.00	Nil	Nil

**EXTERNAL RISK FACTORS**

**49. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in India as well as other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

In addition to the above, our Company is incorporated in India and its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;

- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- Being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown due to these factors could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

**50. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

**51. *If inflation rises in India, increased costs may result in a decline in profits. Inflation rates in India have been volatile in recent years, and such volatility may continue.***

India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs.

Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. Additionally, if we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future

**52. *Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange control regulations that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business and financial results.

**53. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**54. *The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition. Hostilities, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural or man-made disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

**55. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, financial condition and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, The Finance Act, 2020 ("Finance Act"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("DDT"), will not be payable in respect of dividends declared, distributed or paid by a domestic Company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, the Finance Act, 2019 stipulates any sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 has also clarified that the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, the Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Act, effective from July 1, 2020, has introduced various amendments. As such, there is no certainty on the impact that the Finance Act, 2020 may have on our business and operations or on the industry in which we operate.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could

result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

**56. *Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is a Company incorporated under the laws of India. All our Company's Directors and officers are residents of India and all of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

**RISK RELATED TO OUR EQUITY SHARES**

**57. *Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be similar to the shareholders' rights under the laws of other countries or jurisdictions.

**58. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares has been determined by our Company in consultation with the LM, and through the Fixed Issue Process. This price is based on numerous factors, as described under "**Basis for Offer Price**" on page 102 of this Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

**59. *The trading volume and market price of the Equity Shares may be volatile following the Issue.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

60. ***Our Equity Shares have not been publicly traded prior to this Issue. After this Issue, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.***

Prior to this Issue, there has been no public market for our Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Issue.

The trading price of our Equity Shares after this Issue may be subject to significant fluctuations in response to factors including general economic, political and social factors, developments in India's fiscal regime, variations in our operating results, volatility in Indian and global securities markets, developments in our business as well as our industry and market perception regarding investments in our business, changes in the estimates of our performance or recommendations by financial analysts, and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. The trading price of our Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business or operating results.

61. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

62. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. Further, in accordance with press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

63. ***Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and a majority of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the

law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

**64. *You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of equity shares is exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares

**65. *Any future issuance of Equity Shares by us may dilute your shareholding and sales of the equity shares by our Promoter, Promoter Group or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by us may dilute your shareholding in us. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of the Issue, including by our Promoter or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair future ability of us to raise capital through offerings of the Equity Shares. Our Promoters currently hold an aggregate of 68.66% of the pre issued paid up Equity Shares. After the completion of the Issue, our Promoters will continue to hold 62.44% of the post issue paid up Equity Shares. We cannot predict the effect, if any, that the sale of the Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares.

**66. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offer document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

**67. *There is no guarantee that our Equity Shares will be listed on EMERGE Platform of NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the EMERGE Platform of NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

**68. *The requirements of being a listed company may strain our resources.***

We are not a listed company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs by shareholders, regulators and the public at large associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations or cash flows as promptly as other listed companies.

Further, as a listed company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

**69. *Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

**70. *Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility. On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

## SECTION - III - INTRODUCTION

### THE OFFER

The following table summarizes the Offer details:

PARTICULARS	DETAILS OF EQUITY SHARES
<b>Equity Shares Offered:</b>	29,04,000 Equity Shares of face value of ₹10/- each fully paid up for cash at a price of ₹ 58/- per equity share (including premium of ₹48/- per equity share) aggregating ₹ 1,684.32 Lakhs
<b>The Offer consists of:</b>	
<b>Fresh Offer</b>	9,75,484 Equity Shares of face value of ₹10/- each fully paid up for cash at a price of ₹ 58/- per equity share (including premium of ₹48/- per equity share) aggregating ₹ 565.78Lakhs.
<b>Offer for Sale</b>	19,28,516 Equity Shares of face value of ₹10/- each fully paid up for cash at a price of ₹ 58/- per equity share (including premium of ₹48/- per equity share) aggregating ₹ 1,118.54 Lakhs.
<b>of which:</b>	
<b>Offer Reserved for the Market Maker</b>	1,48,000 Equity Shares of face value of ₹10/- each fully paid up for cash at a price of ₹ 58/- per equity share (including premium of ₹48/- per equity share) aggregating ₹ 85.84 Lakhs.
<b>Net Offer to The Public*</b>	27,56,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹58/- per equity share (including premium of ₹48/- per equity share) /- aggregating to ₹ 1,598.48 Lakhs.
<b>of which</b>	
<b>(A) Retail Portion</b>	13,78,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹58/- per equity share (including premium of ₹48/- per equity share) /- aggregating to ₹ 799.24 Lakhs i.e., 50% of the Net offer shall be available for allocation to the Retail Individual Investors.
<b>(B) Other than Retail Individual Investors</b>	13,78,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ 58/- per equity share (including premium of ₹48/- per equity share) /- aggregating to ₹ 799.24Lakhs i.e., 50% of the Net offer shall be available for allocation for Investors other than the Retail Individual Investors.
<b>Pre-and Post-Offer Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer</b>	97,84,308 Equity Shares of face value of ₹ 10.00/- each.
<b>Equity Shares outstanding after the Offer</b>	1,07,59,792 Equity Shares of face value of ₹ 10.00/- each.
<b>Use of Net Proceeds</b>	For details, please refer chapter titled “ <b>Objects of the Offer</b> ” beginning on page 94 of this Prospectus.

#### Notes:

- The present Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 28, 2023 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on April 15, 2023 pursuant to section 62(1)(c) of the Companies Act, 2013. Selling Shareholder confirm that the Equity Shares being offered by them are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. Selling Shareholder has consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For further details, please refer to chapter titled “**Terms of the Offer**” beginning on page 225 of this Prospectus.
- This Offer is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended. For further details, please refer to chapter titled “**Offer Structure**” beginning on page 255 of this Prospectus.
- The Equity Shares being offered by the Selling Shareholder have been held for a period of at least one year immediately preceding the date of this Prospectus, and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholder have confirmed and approved their portion in the Offer for Sale as set out below:

Selling Shareholder	Number of Equity Shares Offered in the offer for sale	Date of Consent Letter	Date of Board Resolution
SIDBI Trustee Company Limited A/c India Opportunities Fund	19,28,516	June 28, 2023	June 30, 2023

2. As per the Regulation 253 of the SEBI (ICDR) Regulations, as amended, as present offer is a fixed price Offer the allocation in the net Offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investor; and
- b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to applicants in the other category.

If the retail individual investor category is entitled to more than allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

For details, including in relation to grounds for rejection of Applications, refer to chapters titled **“Offer Structure”** and **“Offer Procedure”** beginning on 255 and 258 of this Prospectus respectively. For details of the terms of the Offer, see **“Terms of the Offer”** beginning on page 250 of this Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 184 and 214 respectively of this Prospectus.

*[The Remainder of this Page has intentionally been left blank]*

SHARP CHUCKS AND MACHINES LIMITED				
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )				
ANNEXURE- I RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES				
(INR in Lakhs)				
Particulars	Note No.	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	3	978.43	978.43	978.43
(b) Reserves and surplus	4	4,256.36	3,749.86	3,297.24
		<b>5,234.79</b>	<b>4,728.29</b>	<b>4,275.67</b>
<b>2 Non-current Liabilities</b>				
(a) Long-term borrowings	5	3,080.04	2,739.60	1,974.31
(b) Deferred tax liabilities (Net)	6	594.14	472.05	391.79
(c) Other non current liabilities		-	-	-
(d) Long-term provisions	7	87.84	73.81	65.58
		<b>3,762.02</b>	<b>3,285.46</b>	<b>2,431.68</b>
<b>3 Current Liabilities</b>				
(a) Short term borrowings	8	5,042.76	5,313.23	3,631.04
(b) Current maturity of long term borrowings	9	911.40	2,216.52	700.02
(c) Trade payables	10	2,319.07	2,313.40	1,793.04
(d) Other current liabilities	11	592.85	417.81	476.33
(e) Short-term provisions	12	140.69	117.38	90.20
		<b>9,006.77</b>	<b>10,378.34</b>	<b>6,690.63</b>
<b>TOTAL</b>		<b>18,003.58</b>	<b>18,392.09</b>	<b>13,397.98</b>
<b>II. ASSETS</b>				
<b>1 Non-Current Assets</b>				
<b>(a) Fixed Assets</b>				
<b>(I) Tangible assets (A-B)</b>				
(i) Gross block	13	10,662.57	9,109.45	7,742.02
(ii) Less: Depreciation		3,367.87	2,813.88	2,346.09
(iii) Net block		7,294.70	6,295.57	5,395.93
<b>(II) Intangible assets</b>	14	0.80	4.59	6.06
<b>(III) Capital work in progress incl intangible assets under development</b>	15	390.04	52.44	50.63
(b) Non current Investments		-	-	-
(c) Long-term loans and advances	16	40.85	166.76	28.37
(d) Other non current assets	17	327.95	266.51	210.30
		<b>8,054.34</b>	<b>6,785.87</b>	<b>5,691.29</b>
<b>2 Current Assets</b>				
(a) Inventory	18	6,464.69	5,091.49	5,193.83
(b) Trade receivables	19	2,910.07	3,359.20	2,133.91
(c) Cash and bank balances	20	135.90	2,605.70	88.58
(d) Short-term loans and advances	21	438.58	497.28	286.75
(e) Other current assets	22	-	52.55	3.62
		<b>9,949.24</b>	<b>11,606.22</b>	<b>7,706.69</b>
<b>TOTAL</b>		<b>18,003.58</b>	<b>18,392.09</b>	<b>13,397.98</b>
<b>Significant accounting policies</b>				
<b>2</b>				
<b>The accompanying notes are an integral part of the financial statements</b>				
<p>As per our report of even date attached For JMR &amp; Associates LLP Chartered Accountants FRN:106912W/W100300</p>				
<p>For and on Behalf of the Board Sharp Chucks And Machines Limited</p>				
<p>Sd/- CA. Nikesh Jain (Partner) M No.114003</p>				
<p>Sd/- Ajay Sikka Managing Director DIN: 00665858</p>				
<p>Sd/- Gopika Sikka Director DIN: 00665904</p>				
<p>Sd/- Rajat Kathpalia Company Secretary Reg No :36236</p>				
<p>UDIN: 23114003BGSCMT5623 Place : Mumbai Date : September 16,2023</p>				
<p>Place: Jalandhar Date : September 16,2023</p>				

**SHARP CHUCKS AND MACHINES LIMITED**

(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

**ANNEXURE- II RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS**

(INR in Lakhs)

			For the year ended		
Sr. No.	Particulars	Note No.	31-03-2023	31-03-2022	31-03-2021
<b>Continuing Operations</b>					
I.	Revenue from operations	23	17,644.97	15,190.78	13,545.94
II.	Other Income	24	286.48	61.45	37.17
III.	<b>Total Revenue (I + II)</b>		<b>17,931.45</b>	<b>15,252.23</b>	<b>13,583.11</b>
<b>IV. EXPENSES</b>					
	(a) Direct expenses	25	14,863.97	12,133.12	10,878.29
	(b) Changes in inventory	26	(1,197.58)	(200.85)	(70.89)
	(c) Employee benefit cost	27	1,306.17	932.89	660.35
	(c) Finance costs	28	853.45	659.48	641.25
	(d) Depreciation and amortisation expense	13	568.63	471.69	397.04
	(e) Other expenses	29	820.08	615.20	606.17
	<b>Total Expenses</b>		<b>17,214.72</b>	<b>14,611.53</b>	<b>13,112.21</b>
V.	<b>Profit/(loss) before exceptional &amp; extra ordinary items and tax (III - IV)</b>		<b>716.73</b>	<b>640.70</b>	<b>470.90</b>
VI.	<b>Exceptional items</b>		-	-	-
VII.	<b>Profit/(Loss) Before Tax (V - VI)</b>		<b>716.73</b>	<b>640.70</b>	<b>470.90</b>
<b>VIII. Tax expense</b>					
	(1) Current tax		123.95	113.11	85.00
	(2) Deferred tax charge / (credit)		122.09	80.26	40.87
	(3) Short / (Excess) provision for tax earlier year		0.03	0.73	-
	(4) MAT utilised / (credit) entitlement		(35.84)	(6.02)	14.07
	<b>Total tax expense</b>		<b>210.23</b>	<b>188.08</b>	<b>139.94</b>
IX.	<b>Profit/(loss) after tax (VII - VIII)</b>		<b>506.50</b>	<b>452.62</b>	<b>330.96</b>
<b>XV. Earnings per equity share (for continuing operation):</b>					
	(1) Basic		<b>5.18</b>	<b>4.63</b>	<b>3.38</b>
	(2) Diluted		<b>5.18</b>	<b>4.63</b>	<b>3.38</b>
<b>Significant accounting policies</b>		<b>2</b>			
<b>The accompanying notes are an integral part of the financial statements</b>					

For and on behalf of the Board of Directors  
Sharp Chucks and Machines Limited

Sd/-  
CA. Nikesh Jain  
(Partner)  
M No.114003

Sd/-  
Ajay Sikka  
Managing Director  
DIN: 00665858

Sd/-  
Gopika Sikka  
Director  
DIN: 00665904

Sd/-  
Rajat Kathpalia  
Company Secretary  
Reg No :36236

UDIN: 23114003BGSCMT5623

Place : Mumbai

Date : September 16,2023

Place: Jalandhar

Date : September 16,2023

SHARP CHUCKS AND MACHINES LIMITED				
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )				
ANNEXURE- III: RESTATED CASH FLOW STATEMENT				
(INR in Lakhs)				
Sr. No.	Particulars	As at 31st March		
		2023	2022	2021
<b>A.</b>	<b>Cash flow from Operating Activities</b>			
	Profit before tax for the year	716.73	640.70	470.90
	Adjustments for :			
	Add-Depreciation	568.63	471.69	397.04
	Add-Foreign exchange loss	(19.89)	(2.95)	(1.70)
	Add-Finance Cost	853.45	659.48	641.25
	Less-Interest Income	(10.30)	(9.60)	(8.75)
	Less : Profit/loss on Sale of Asset	(1.11)	0.40	-
	<b>Operating Income Before Working Capital Movement in working capital :</b>	<b>2,107.51</b>	<b>1,759.72</b>	<b>1,498.74</b>
	(Decrease)/Increase in Other Current liability	175.04	(58.52)	70.18
	(Decrease)/Increase in Long Term Loans	125.91	(138.39)	(16.67)
	(Decrease)/Increase in Trade Payables	5.67	520.36	(562.76)
	(Decrease)/Increase in Long Term Provisions	14.03	8.23	5.19
	(Decrease)/Increase in Short Term Provision	12.36	(0.93)	(1.42)
	Decrease/(Increase) in Other Current Assets	52.55	(48.93)	3.62
	Decrease/(Increase) in Other Non-Current Assets	(61.44)	(56.21)	(30.45)
	Decrease/(Increase) in Trade Receivables	469.02	(1,222.34)	3.78
	Decrease/(Increase) in Short Term Loans and Advances	90.84	(189.60)	43.14
	Decrease/(Increase) in Inventory	(1,373.20)	102.34	(282.31)
	<b>Operating Income After Working Capital</b>	<b>(489.22)</b>	<b>(1,083.99)</b>	<b>(767.70)</b>
	Income taxes (paid) / refund	(109.33)	(100.64)	(67.75)
<b>A.</b>	<b>Net cash generated by operating activities</b>	<b>1,508.96</b>	<b>575.09</b>	<b>663.29</b>
<b>B.</b>	<b>Cash flow from Investing Activities</b>			
	(Purchase)/Sale of Tangible Assets	-1562.86	(1,368.11)	(1,025.32)
	(Purchase)/Sale of Capital Work in Progress	-337.6	(1.81)	(21.12)
	(Purchase)/Sale of intangible Assets	(0.00)	(2.15)	-
	Interest received/(Paid)	10.30	9.60	8.75
	<b>Net cash (used in)/generated by investing activities</b>	<b>(1,890.16)</b>	<b>(1,362.47)</b>	<b>(1,037.69)</b>
<b>C.</b>	<b>Cash Flow From Financing Activities</b>			
	(Decrease)/Increase in Long term Borrowings (net)	340.44	765.29	714.03
	(Decrease)/Increase in Short Term Borrowings (net)	-270.47	1,682.19	(121.26)
	(Decrease)/Increase in Current Maturities of Long Term Borrowings (net)	-1305.12	1,516.50	427.82
	Interest Paid	(853.45)	(659.48)	(641.25)
	<b>Net cash used in financing activities</b>	<b>(2,088.60)</b>	<b>3,304.50</b>	<b>379.34</b>
	<b>Net increase in cash and cash equivalents</b>	<b>(2,469.80)</b>	<b>2,517.12</b>	<b>4.94</b>
	Cash and cash equivalents at the beginning of the year	2,605.70	88.58	83.64
	Effect of exchange differences on cash & cash equivalents held in foreign currency			
	<b>Cash and Cash Equivalents at the End of the Year</b>	<b>135.90</b>	<b>2,605.70</b>	<b>88.58</b>
	<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>			
	Cash in hand	89.69	2,528.52	4.60
	<b>Balance with Bank</b>			
	In current account	18.03	28.21	60.85
	Fixed deposits with bank	28.18	48.97	23.13
	<b>Balance as per statement of cash flows</b>	<b>135.90</b>	<b>2,605.70</b>	<b>88.58</b>
As per our report of even date attached For JMR & Associates LLP Chartered Accountants FRN:106912W/W100300		For and on behalf of the Board of Directors Sharp Chucks and Machines Limited		
Sd/- CA. Nikesh Jain Partner M No.114003		Sd/- Ajay Sikka Managing Director DIN: 00665858	Sd/- Gopika Sikka Director DIN: 00665904	Sd/- Rajat Kathpalia Company Secretary Reg No :36236
UDIN: 23114003BGSCMT5623 Place : Mumbai Date : September 16,2023		Place: Jalandhar Date : September 16,2023		

## GENERAL INFORMATION

Our Company was originally incorporated in Jalandhar, Punjab as “Sharp Garden Implements Private Limited”, a private company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 10, 1994 issued by the Registrar of Companies, Punjab, H.P & Chandigarh. Subsequently, the name of our Company was changed to “Sharp Chucks and Machines Private Limited” a certificate of incorporation pursuant to change of name dated October 09, 1995 was issued by Registrar of Companies, Punjab, H.P & Chandigarh. Further, our Company was converted from a private limited company to a public limited company and consequently, the name of our Company was changed to “Sharp Chucks and Machines Limited”, and a fresh certificate of incorporation dated August 12, 2004 was issued by the Registrar of Companies, Punjab, H.P & Chandigarh to our Company. Thereafter, our Company was again, converted from a public limited company into a private limited company and consequently, the name of our Company was changed to “Sharp Chucks and Machines Private Limited”, and a fresh certificate of incorporation dated February 27, 2014 was issued by the Registrar of Companies, Punjab, & Chandigarh to our Company. Subsequently, our Company was again converted from a private limited company into a public limited company, pursuant to a special resolution passed by the shareholders at the extraordinary general meeting dated December 07, 2022 and consequently, the name of our Company was changed to “Sharp Chucks and Machines Limited”, and a fresh certificate of incorporation was granted by the Registrar of Companies, Chandigarh dated December 20, 2022. For details of change in the name of our Company and address of registered office of our Company, please refer to chapter titled “**History and Certain Corporate Matters**” on page 159 of this Prospectus

### Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are set forth below:

<b>CORPORATE IDENTITY NUMBER</b>	: U27106PB1994PLC014701
<b>REGISTRATION NUMBER</b>	: 014701

### REGISTERED OFFICE OF OUR COMPANY

A-12 Industrial Development Colony  
Jalandhar - 144012,  
Punjab, India.  
Tel No: 0181 -2610341 / 0181- 2611763  
Email: [cs@sharpchucks.com](mailto:cs@sharpchucks.com)  
Website: [www.sharpchucks.com](http://www.sharpchucks.com)

### ADDRESS OF THE REGISTRAR OF COMPANIES

Our Company is registered with the Registrar of Companies, Chandigarh, located at the following address:  
Registrar of Companies, Chandigarh, 1st Floor,  
Corporate Bhawan, Plot No.4-B, Sector 27-B,  
Chandigarh-160019, India.

### BOARD OF DIRECTORS OF OUR COMPANY

Our Company’s Board comprises of the following Directors as set forth in the following table:-

Name	DIN	Designation	Address
Ajay Sikka	00665858	Managing Director	H. No. 148, Shakti Nagar, Jalandhar-I, Punjab – 144001
Gopika Sikka	00665904	Whole Time Director	H-No. 148, Shakti Nagar, Jalandhar, Punjab - 144001
Avinash Shripad Joshi	08801080	Non-Executive Director	Sudhashree, 1187, B, New Mahadwar Road, Kolhapur, Karvir, Kolhapur – 416012, Maharashtra
Rahul Sharma	09793480	Non-Executive Director	H No. NC-82, KOT Kishan Chand, Jalandhar-I, Industrial Town, Jalandhar – 144004, Punjab

Name	DIN	Designation	Address
Manmohan Puri	10087749	Non-Executive Independent Director	H No. 73, Adarsh Nagar, Jalandhar - 144008, Punjab
Suraj Singhal	09130650	Non-Executive Independent Director	H. No. 183, Kaka Nagar Mohalla Gautampuri, Shamli, Muzaffarnagar – 247776, Uttar Pradesh

For detailed profile of our Board of Directors, please refer to the chapter titled “*Our Management*” beginning on page 164 of this Prospectus.

#### COMPANY SECRETARY & COMPLIANCE OFFICER

##### **Rajat Kathpalia**

A-12 Industrial Development Colony  
Jalandhar - 144012  
Punjab, India  
Tel No: 0181 -2610341 / 0181- 2611763  
Email: [cs@sharpchucks.com](mailto:cs@sharpchucks.com)  
Website: [www.sharpchucks.com](http://www.sharpchucks.com)

#### INVESTOR GRIEVANCES

Investors can contact our Company Secretary and Compliance Officer, the Lead Manager or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode etc.

All grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form Number, Applicant DP ID, Client ID, UPI ID, PAN, date of the ASBA Form, address of the applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant and ASBA Account number (for Applicant other than UPI Applicant using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Applicants who make the payment of Application Amount through the UPI Mechanism), in case of UPI Applicants using the UPI Mechanism.

Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Issue shall obtain the required information from the SCSBs addressing any clarifications or grievances of ASBA Bidders.

#### DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS OFFER AND OUR COMPANY:

LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
<b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3 <sup>rd</sup> Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India <b>Tel No:</b> +91 8104985249 <b>Fax No:</b> Not Available <b>Contact Person:</b> Saipan Sanghvi <b>Email Id:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163	<b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> D-153 A, 1st Floor Okhla Industrial Area, Phase-I New Delhi - 110020, Delhi, India <b>Tel No:</b> 011-40450193-97 <b>Fax No:</b> 011-26812683 <b>E-mail Id:</b> <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a> <b>Investor Grievance Id:</b> <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> <b>Contact Person:</b> Anuj Rana <b>SEBI Registration No:</b> INR000003241

<b>LEGAL ADVISOR TO THE OFFER</b>	<b>BANKERS TO THE OFFER / REFUND BANK /SPONSOR BANK</b>
<p><b>M V Kini Law Firm</b> Kini House, Near Citi Bank, D.N. Road, Fort, Mumbai - 400004 <b>Tel No:</b> +91 2261 2527/28/29 <b>Fax No:</b> +91 2261 2530 <b>E-mail Id:</b> vidishamvkini.com <b>Website:</b> <a href="http://www.mykini.com">www.mykini.com</a> <b>Contact Person:</b> Vidisha Krishan</p>	<p><b>ICICI BANK LIMITED</b> Capital Market Division, 5th Floor, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400 020, Maharashtra, India <b>Tel:</b> +91 22 2266818923/924/933 <b>Fax:</b> +91 22 22611138 <b>Email:</b> <a href="mailto:ipocmg@icicibank.com">ipocmg@icicibank.com</a> <b>Contact Person:</b> Varun Badai <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> <b>SEBI Registration Number:</b> INBI00000004</p>
<b>BANKERS TO THE COMPANY</b>	<b>BANKERS TO THE COMPANY</b>
<p><b>Canara Bank</b> <b>Address:</b> SME Branch, Plot No.1, Outer Ring Road, Near Krishna Avery Kanda, Industrial Area, Jalandhar - 144001 <b>Tel No:</b> 0181 - 2296262 <b>E-mail Id:</b> <a href="mailto:cb2508@canarabank.com">cb2508@canarabank.com</a> <b>Website:</b> <a href="http://www.canarabank.com">www.canarabank.com</a> <b>Contact Person:</b> Ranjan Kumar</p>	<p><b>Kotak Mahindra Bank Limited</b> <b>Address:</b> 37, UGF, Midas Corporate Park, Jalandhar - 144 001, Punjab <b>Tel No:</b> 0181 - 5065111 <b>E-mail Id:</b> <a href="mailto:amitkumar.sharma4@kotak.com">amitkumar.sharma4@kotak.com</a> <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a> <b>Contact Person:</b> Mr. Amit Kumar Sharma</p>
<b>STATUTORY AUDITOR</b>	<b>PEER REVIEW AUDITOR</b>
<p><b>Sharp &amp; Tannan, Chartered Accountants</b> 205-207, Ansal Tower, 38 Nehru Place, New Delhi - 110019 <b>Tel No:</b> 011-4103256 <b>Fax No:</b> 011- 41033506 <b>E-mail Id:</b> <a href="mailto:delhi.office@sharptannan.com">delhi.office@sharptannan.com</a> <b>Contact Person:</b> CA. Rajkumar Khullar <b>Membership No:</b> 092507 <b>Firm Registration No:</b> 000452N <b>Peer Review Number:</b> 014588</p>	<p><b>JMR &amp; Associates LLP, Chartered Accountants</b> Boman House, office no. 4,1st Floor, 2nd Homji Street, P.M. Road, Fort, Mumbai – 400001 <b>Tel No:</b> 022 – 66102224/5/6 <b>Fax number:</b> 022- 22661 02226 <b>E-mail Id:</b> <a href="mailto:nikesh@jmrassociates.com">nikesh@jmrassociates.com</a> <b>Website:</b> <a href="http://www.jmrassociates.com">www.jmrassociates.com</a> <b>Contact Person:</b> CA. Nikesh Jain <b>Firm Registration No:</b> 106912W/ W100300 <b>Membership No:</b> 114003 <b>Peer Review Number:</b> 014330</p>
<b>UNDERWRITER</b>	<b>MARKET MAKER</b>
<p><b>Fedex Securities Private Limited</b> B 7, 3<sup>rd</sup> Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400057, Maharashtra, India <b>Tel No:</b> +91 8104985249 <b>Fax No:</b> Not Available <b>Contact Person:</b> Saipan Sanghvi <b>Email Id:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163</p>	<p><b>Nikunj Stock Brokers Limited</b> A-92. GF, Left Portion, Kamla Nagar, New Delhi - 110007 <b>Tel No:</b> 999942292 <b>Email:</b> <a href="mailto:complianceofficer@nikunjonline.com">complianceofficer@nikunjonline.com</a> <b>Website:</b> <a href="http://www.nikunjonline.com">www.nikunjonline.com</a> <b>Investor Grievance id:</b> <a href="mailto:ig.nikunj@nikunjonline.com">ig.nikunj@nikunjonline.com</a> <b>Contact Person:</b> Anupam Suman <b>SEBI Registration number:</b> INZ000169335 <b>NSE Registered Code:</b> 06913</p>
<b>ADVISOR TO THE COMPANY</b>	
<p><b>Neomile Corporate Advisory Limited</b> Unit No. 1215, C Wing, One BKC, Bandra Kurla Complex, Bandra East, Mumbai-400 051, Maharashtra, India. <b>Tel:</b> 91 22 62398080 <b>Email id:</b> <a href="mailto:info@neomilecapital.com">info@neomilecapital.com</a> <b>Website:</b> <a href="http://www.neomilecapital.com">www.neomilecapital.com</a> <b>Contact Person:</b> Mr. Kirtan Rupareliya <b>CIN:</b> U93090MH2018PLC303626</p>	

#### SYNDICATE MEMBER

As on the date of this Prospectus, there are no syndicate members.

## **DESIGNATED INTERMEDIARIES**

### **SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)**

The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. For details of the Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>

The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Bids can be submitted by UPI Bidders using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, respectively, as may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

### **SYNDICATE SCSB BRANCHES**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as ‘Annexure A’ for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

### **REGISTERED BROKERS**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, applicant can submit Application Form for the Offer using the stock brokers network of the Stock Exchange, i.e., through the Registered Brokers at the Brokers Centres.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **REGISTRAR TO THE OFFER AND SHARE TRANSFER AGENTS (“RTA”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES**

Fedex Securities Private Limited being sole Lead Manager to this offer, all the responsibilities relating to co-ordination and other activities in relation to the offer shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

## **GRADING OF THE OFFER**

No credit rating agency registered with SEBI has been appointed for purpose of obtaining grading for the issue.

## **CREDIT RATING**

This being an offer of Equity Shares, credit rating is not required.

## **DEBENTURE TRUSTEES**

Since this is not a debenture issue, appointment of Debenture trustees is not required.

## **MONITORING AGENCY**

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the offer size is below 10,000 Lakh. Our Company has not appointed any monitoring agency for this offer. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the offer.

## **APPRAISING ENTITY**

No appraising entity has been appointed in respect of any objects of this offer.

## **BROKERS TO THE ISSUE**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

## **EXPERT OPINION**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 16, 2023 from the Peer Review Auditor namely, JMR & Associates LLP, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus/Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity and in respect to their Report on Restated Financial Statements dated September 16, 2023 and Report on Statement of Tax Benefits dated September 23, 2023 and issued by them, included in this Draft Prospectus/Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent dated September 19, 2023 from the Statutory Auditor namely, M/s. Sharp & Tannan, Chartered Accountant to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus/Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity and in respect to their Audited Financial Statement for the Financial year ended on March 31, 2023, March 31, 2022, March 31, 2021 & March 31, 2020 issued by them, included in this Draft Prospectus/Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has also received written consent dated September 12, 2023, from R.P. Gupta & Associates, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus/Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of certifications issued by them in their capacity as independent chartered accountant to our Company and issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus

Additionally, our Company has also received written consent dated September 09, 2023, from the Chartered Engineer, Kunwar Sunil Kumar, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in relation to their certificate on the details of capacity and capacity utilization of our Company, included under “*Our Business*” on page 131 of this Prospectus

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## **GREEN SHOE OPTION**

No Green Shoe Option is contemplated under this offer.

## **FILING THE DRAFT PROSPECTUS / PROSPECTUS**

The Prospectus is being filed with EMERGE Platform National Stock Exchange of India (“NSE EMERGE”) situated at Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra - (East), Mumbai - 400051 Maharashtra, India. However, pursuant to sub regulation (5) of regulation 246, the soft copy of the Draft Prospectus and the Prospectus shall be furnished to the SEBI, pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19,

2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. However, SEBI shall not issue any observation on the Draft Prospectus and the Prospectus in terms of Regulation 246(2) of SEBI ICDR Regulations.

A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 shall be filed to the Registrar of Companies situated at, Registrar of Companies, Punjab and Chandigarh, 1st Floor, Corporate Bhawan, Plot No.4-B-Sector 27-B, Chandigarh - 160019.

## UNDERWRITERS

Our Company and Lead Manager to the offer hereby confirm that the offer is 100% Underwritten. The underwriting agreement is dated September 16, 2023 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this offer.

Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten (in Lakh)	% of the total offer size Underwritten
<b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3 <sup>rd</sup> Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400057, Maharashtra, India <b>Tel No:</b> +91 8104985249 <b>Fax No:</b> Not Available <b>Contact Person:</b> Saipan Sanghvi <b>Email Id:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163	29,04,000*	1,684.32	100.00
<b>TOTAL</b>	<b>29,04,000*</b>	<b>1,684.32</b>	<b>100.00</b>

\*Includes 1,48,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their underwriting obligations in full.

## CHANGE IN THE STATUTORY AUDITOR DURING LAST 3 YEARS

There has been no change in the Auditors of the company during the last three years.

## TYPE OF OFFER

The present Offer is considered to be 100% Fixed Price Offer.

## DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company and the Lead Manager has entered Market Making Agreement dated September 16, 2023 with the following Market Maker to fulfill the obligations of Market Making for this Offer:

<b>Name</b>	<b>NIKUNJ STOCK BROKERS LIMITED</b>
<b>Address</b>	A- 92. GF, Left Portion, Kamla Nagar, New Delhi - 110007
<b>Tel No</b>	999942292
<b>Fax No</b>	NA
<b>Email Id</b>	<a href="mailto:complianceofficer@nikunjonline.com">complianceofficer@nikunjonline.com</a>
<b>Website</b>	<a href="http://www.nikunjonline.com">www.nikunjonline.com</a>
<b>Investor Grievance ID</b>	<a href="mailto:ig.nikunj@nikunjonline.com">ig.nikunj@nikunjonline.com</a>
<b>Contact Person</b>	Anupam Suman
<b>SEBI Registration No.</b>	INZ000169335
<b>NSE Registered Code</b>	06916

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated September 16, 2023 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issued.

Nikunj Stock Brokers Limited, registered with EMERGE Platform of National Stock Exchange of India Limited will act as the market maker and have agreed to receive or deliver the specified securities in the market making process for a

period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and as amended from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

**Following is a summary of the key details pertaining to the Market Making arrangement:**

1. The Market Maker(s) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1.00 Lakh. However, the investors with holdings of value less than 1.00 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share) /- per share the minimum bid lot size is 2,000 Equity Shares thus minimum depth of the quote shall be 2000 until the same, would be revised by EMERGE Platform of National Stock Exchange of India Limited
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the 2000 (in this case currently the minimum trading lot size is 2,000 Equity Shares; however, the same may be changed by the EMERGE Platform of National Stock Exchange of India Limited from time to time).
5. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
6. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to 20 Crore	25%	24%
20 to 50 Crore	20%	19%
50 to 80 Crore	15%	14%
Above 80 Crore	12%	11%

7. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
9. There would not be more than five Market Makers for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Makers may compete with other Market Maker for better quotes to the investors. At this stage, Nikunj Stock Brokers Limited is acting as the sole Market Maker.
10. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
11. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.

12. The shares of our Company will be traded in continuous trading session from the time and day our company gets listed on NSE EMERGE and the Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
13. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
14. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Lead Manager and Market Maker. Once registered as a Market Maker, he has to start providing quotes from the day of the listing/the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Stock Exchange.
15. The Market Maker shall have the right to terminate said arrangement by giving a six-month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
16. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
17. Risk containment measures and monitoring for Market Makers: NSE will have all margins, which are applicable on the main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
18. Punitive Action in case of default by Market Makers: NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
19. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
20. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
21. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the EMERGE Exchange Platform.

Sr. No.	Market Price slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	7
4.	Above 100	6

22. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ NSE EMERGE from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

#### **WITHDRAWAL OF THE OFFER**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our company withdraw the Issue any time after the Issue Opening Date but before the Board meeting for Allotment, in such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus and after giving effect to the Issue is set forth below:

*Amount (in Lakhs except share data)*

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORISED EQUITY SHARE CAPITAL</b>		
	1,20,00,000 Equity Shares of face value of ₹ 10/- each	1200.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	97,84,308 Equity Shares of face value of ₹10 /- each	978.43	-
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS**</b>		
	Fresh Issue of 9,75,484 Equity Shares of ₹10/- each for cash at price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share) -.	97.55	565.78
	Offer for Sale of 19,28,516 Equity Shares of ₹ 10/- each for cash at price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share).	192.85	1,118.54
	<b>Which comprises:</b>		
	<b>Market Maker Reservation portion:</b> Reservation for Market Maker 1,48,000 Equity Shares of 10 /- each for cash at price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share) /- will be available for allocation to Market Maker	14.80	85.84
	<b>Net Issue to the Public:</b> Net Issue to the Public 27,56,000 Equity Shares of ₹ 10 /- each for cash at price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share)	275.60	1,598.48
	<b>Of which***:</b>		
	<b>Allocation to Retail Individual Investor:</b> 13,78,000 Equity Shares of face value of ₹ 10 /- each fully paid up for a cash price of ₹ 58/- per equity share (including premium of ₹ 48/- per equity share), i.e., 50% of the Net Issue shall be available for allocation Retail Individual Investors.	137.80	799.24
	<b>Allocation to Other than Retail Individual Investors:</b> 13,78,000 Equity Shares of face value of ₹ 10 /- each fully paid up for a cash price of ₹58/- per equity share (including premium of ₹ 48/- per equity share), i.e., 50% of the Net Issue shall be available for allocation to other than Retail Individual Investors.	137.80	799.24
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE</b>		
	1,07,59,792 Equity Shares of face value of ₹ 10/- each	1,075.98	
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT****</b>		
	Before the Issue (as on date of this Prospectus)	742.86	
	After the Issue	1211.09	

*\*\*The present Issue has been authorized pursuant to a resolution of our Board of Directors dated March 28, 2023 and by special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of the members held on April 15, 2023. Further, our Board has taken on record the consents of the Selling Shareholder by resolution of our Board dated June 30, 2023. Selling Shareholder have consented to participate in the Offer for Sale pursuant to their respective consent letters. Selling Shareholder has consented for the sale of its respective portion of the Offered Shares in the Offer for Sale. Selling Shareholder confirms that the Equity Shares being offered by them are eligible for being offered for sale pursuant the Issue in terms of the SEBI ICDR Regulations. For further details of authorizations received for the Issue, please refer to chapter titled "Other Regulatory and Statutory Disclosures" on page 240.*

\*\*\* Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spillover from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

\*\*\*As certified by the statutory auditor M/s JMR & Associates LLP, Chartered Accountants vide its certificate dated September 23, 2023.

### Class of Shares

Our Company has only one class of share capital i.e., Equity Shares of ₹10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### Changes in Authorized Equity Share Capital of our Company:

Details of changes in Authorized Share Capital of the Company since incorporation:

Particulars of change	Date of members Resolution	AGM/EOGM
The Authorised Share Capital of our Company is ₹5,00,000/- consisting of 5,000 Equity Shares of face value of ₹ 100.00 /- each.	On Incorporation	N.A.
Increase in Authorised Share Capital from ₹ 5,00,000/- consisting of 5,000 Equity Shares to ₹20,00,000/- consisting of 20,000 Equity Shares of face value of ₹ 100.00/- each.	January 10, 1996	EOGM
Increase in Authorised Share Capital from ₹ 20,00,000/- consisting of 20,000 Equity Shares to ₹ 30,00,000/- consisting of 30,000 Equity Shares of face value of ₹ 100.00/- each.	June 02, 2001	EOGM
Increase in Authorised Share Capital from ₹ 30,00,000/- consisting of 30,000 Equity Shares to ₹ 40,00,000/- consisting of 40,000 Equity Shares of face value of ₹ 100.00/- each.	November 09, 2002	EOGM
Increase in Authorised Share Capital from ₹ 40,00,000/- consisting of 40,000 Equity Shares to ₹ 41,00,000/- consisting of 41,000 Equity Shares of face value of ₹ 100 /- each.	October 27, 2003	EOGM
Increase in Authorised Share Capital from ₹ 41,00,000/- consisting of 41,000 Equity Shares to ₹ 1,00,00,000/- consisting of 1,00,000 Equity Shares of face value of ₹ 100 /- each.	April 26, 2004	EOGM
Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Shares of ₹ 10 each. Pursuant to the subdivision the Authorised Share Capital of the Company is as follows: <b><i>“The Authorised Share Capital of our Company shall be ₹ 1,00,00,000/- consisting of 10,00,000 Equity Shares of face value of ₹ 10 /- each.”</i></b>	July 31, 2004	EOGM
Increase in Authorised Share Capital from ₹ 1,00,00,000/- consisting of 10,00,000 Equity Shares to ₹1,50,00,000/- consisting of 15,00,000 Equity Share of face value of ₹ 10 /- each.	July 31, 2004	EOGM
Increase in Authorised Share Capital from ₹ 1,50,00,000/- consisting of 15,00,000 Equity Shares to ₹3,00,00,000/- consisting of 30,00,000 Equity Share of face value of ₹ 10 /- each.	March 15, 2007	EOGM
Increase in Authorised Share Capital from ₹3,00,00,000/- consisting of 30,00,000 Equity Shares to ₹ 4,25,00,000/- consisting of 30,00,000 Equity Share of face value of ₹ 10 /- each and 12,50,000 Preference Shares of face value of ₹ 10/- each	March 20, 2010	EOGM
Reclassification of Authorised Share Capital of 12,50,000 7% Convertible Preference Shares of face value of ₹ 10/- each to 12,50,000 Equity Shares of ₹ 10 each. Therefore, Authorised Share Capital will be read as “₹4,25,0000/- consisting of 42,50,000 Equity Shares of ₹ 10 each.”	January 31, 2012	EOGM
Increase in Authorised Share Capital from ₹ 4,25,00,000/- consisting of 30,00,000 Equity Shares and 12,50,000 Preference Shares of face value of ₹ 10/- each to ₹ 7,50,00,000/- consisting of 75,00,000 Equity Share of face value of ₹ 10 /- each	March 15, 2012	EOGM

Particulars of change	Date of members Resolution	AGM/EOGM
Increase in Authorised Share Capital from ₹ 7,50,00,000/- consisting of 75,00,000 Equity Share of face value of ₹ 10 /- each to ₹ 11,00,00,000/- consisting of 1,10,00,000 Equity Share of face value of ₹ 10 /- each	February 03, 2014	EOGM
Increase in Authorised Share Capital from ₹ 11,00,00,000/- consisting of 1,10,00,000 Equity Share of face value of ₹ 10 /- each to ₹ 12,00,00,000/- consisting of 1,20,00,000 Equity Share of face value of ₹ 10 /- each	November 21, 2022	EOGM

### History of Issued and Paid-Up Share Capital of our Company

**a. The following is the history of the Equity Share Capital of our Company:**

Sr No.	Date of Allotment/ Issue	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (₹)
1	On Incorporation	100	100	100	Cash	Subscription to MOA	100	10,000
2	July 16, 1996	17,530	100	100	Cash	Further Issue	17,630	17,63,000
3	December 27, 2000	2,000	100	100	Cash	Further Issue	19,630	19,63,000
4	June 25, 2001	3,250	100	100	Cash	Further Issue	22,880	22,88,000
5	October 23, 2001	6,700	100	100	Cash	Further Issue	29,580	29,58,000
6	November 22, 2002	9,885	100	100	Cash	Further Issue	39,465	39,46,500
7	October 28, 2003	880	100	100	Cash	Further Issue	40,345	40,34,500
8	April 26, 2004	33801	100	100	Other than Cash	Allotment pursuant to Scheme of Merger between Sharp Forgings Limited with Sharp Chucks and Machines Private Limited	74,146	74,14,600
<i>Pursuant to shareholders resolution dated July 31, 2004, each fully paid-up equity share of our Company having face value of ₹ 100 each into Equity Share was subdivided into equity share of face value ₹ 10 each. Therefore 74,146 Equity Shares of our Company of face value of ₹ 100 each were sub-divided into 7,41,460 Equity Shares of face value of ₹ 10 each.</i>								
9	August 07, 2004	2,72,500	10	10	Cash	Further Issue	10,13,960	1,01,39,600
10	March 16, 2005	3,85,000	10	10	Cash	Further Issue	13,98,960	1,39,89,600

Sr No.	Date of Allotment/ Issue	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (₹)
11	March 31, 2006	1,00,960	10	10	Cash	Further Issue	14,99,920	1,49,99,200
12	March 31, 2007	2,35,301	10	10	Cash	Further Issue	17,35,221	1,73,52,210
13	June 30, 2007	6,76,310	10	10	Cash	Further Issue	24,11,531	2,41,15,310
14	July 31, 2007	94,000	10	10	Cash	Further Issue	25,05,531	2,50,55,310
15	March 31, 2009	99,000	10	10	Cash	Further Issue	26,04,531	2,60,45,310
16	January 31, 2012	10,01,946	10	Nil	Other than Cash	Conversion of 7% Convertible preference shares into Equity Shares	36,06,477	3,60,64,770
17	March 15, 2012	36,06,477 (Bonus Shares Issued)	10	10	Other than Cash	Bonus Shares	72,12,954	7,21,29,540
18	July 26, 2014	6,42,838	10	38.89	Cash	Preferential Issue	78,55,792	7,85,57,920
19	August 21, 2014	19,28,516	10	38.89	Cash	Preferential Issue	97,84,308	9,78,43,080

Please refer to “**Risk Factor**” - Certain of our corporate records are not traceable or have discrepancies. We cannot assure you that any regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 23 of this Prospectus.

1. Initial Subscribers to the MOA subscribed to 100 Equity Shares of face value of ₹ 100.00/- each as per the details given below:

Sr. No.	Name	No. of Equity Shares
1.	Sandeep Sikka	50
2.	Ajay Sikka	50
<b>Total</b>		<b>100</b>

2. Further Issue as on July 16, 1996 of 17,530 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Gopika Sikka	800
2.	Meenakshi Sikka	1250
3.	Gagan Sikka	1350
4.	Sandeep Sikka	2500
5.	Shanti Lal Sikka	750
6.	Ajay Sikka	1050
7.	Suman Bala	750
8.	Ramesh Rani	1500
9.	Anil Kumar Virmani	200

Sr. No.	Name	No. of Equity Shares
10.	P.L. Mehra	1000
11.	Krishna Sikka	1000
12.	Dinesh Sikka	500
13.	K.K. Walia	100
14.	M/s. R. K Iron Traders	200
15.	Jarnail Singh	200
16.	Neena Singh	100
17.	Ram Prakash Sikka	1750
18.	M/s. Punjab Traders	130
19.	Rohit Sahni	200
20.	Satbir Singh Viridi	200
21.	Vikram Sahni	100
22.	M/s. M.P Traders	250
23.	M/s. Laxmi Hardware & Machine	100
24.	M/s. Super Machines	100
25.	M/s. S.S. Thakural & Co.	100
26.	M/s. Bikram Traders	100
27.	M/s. Garg Tools & Machines	100
28.	M/s. Khanna Trading Co.	100
29.	M/s. Kumar Traders	100
30.	M/s. Jawed Tools Centre	50
31.	M/s. Padra Machine Tools	50
32.	M/s. M.S Enterprises Delhi	50
33.	M/s. Parag Machine Tools	50
34.	M/s. Anil Trading Company	500
35.	M/s. Parda Machinery Corp.	50
36.	Rajiv Salhotra	200
<b>Total</b>		<b>17,530</b>

3. Further Issue as on December 27, 2000 of 2,000 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Gopika Sikka	500
2.	Meenakshi Sikka	250
3.	Gagan Sikka	500
4.	Sandeep Sikka	250
5.	Ram Prakash Sikka	500
<b>Total</b>		<b>2000</b>

4. Further Issue as on June 25, 2001 of 3,250 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Gopika Sikka	500
2.	Meenakshi Sikka	750
3.	Gagan Sikka	500
4.	Sandeep Sikka	750
5.	Ajay Sikka HUF	250
6.	Ram Prakash Sikka	500
<b>Total</b>		<b>3250</b>

5. Further Issue as on October 23, 2001 of 6,700 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	H H Tools	500
2.	Sandeep Sikka	500
3.	Ram Parkash Sikka	800
4.	Meenakshi Sikka	1250

5.	Sandeep Sikka	250
6.	Gagan Sikka	200
7.	Ajay Sikka	300
8.	Gopika Sikka	200
9.	Suman Bala	400
10.	Shanti Lal Sikka	300
11.	Sandeep Sikka HUF	400
12.	Suman Bala	250
13.	Ramesh Rani	250
14.	Ajay Sikka HUF	300
15.	Shanti Sikka HUF	400
16.	Ram Parkash Sikka HUF	400
<b>Total</b>		<b>6700</b>

6. Further Issue as on November 22, 2002 of 9,885 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Gagan Sikka	2700
2.	Ajay Sikka HUF	2200
3.	Sandeep Sikka HUF	2200
4.	Ram Prakash Sikka	2785
<b>Total</b>		<b>9885</b>

7. Further Issue as on October 28, 2003 of 880 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	M/s. Raddiar Tools Centre	270
2.	M/s. Punjab Traders	610
<b>Total</b>		<b>880</b>

8. Issue of shares pursuant to scheme of merger between Sharp Forgings Limited with Sharp Chucks And Machines Private Limited as on April 26, 2004 of 33,801 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Gopika Sikka	2967
2.	Meenakshi Sikka	2944
3.	Gagan Sikka	3728
4.	Sandeep Sikka	4392
5.	Shanti Lal Sikka	4571
6.	Ajay Sikka	11552
7.	Ajay Sikka HUF	1
8.	Suman Kumari Bala	2582
9.	Anil Kumar Virmani	505
10.	Krishna Sikka	1
11.	Jarnail Singh	177
12.	Parveen Sikka	316
13.	Vinod Kapoor	63
14.	Yadr Vir Khera	1
15.	B.M. Tandan	1
<b>Total</b>		<b>33,801</b>

9. Further Issue as on August 07, 2004 of 2,72,500 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Shubham Sikka	3500
2.	Meenakshi Sikka	45000
3.	Gagan Sikka	30000

Sr. No.	Name	No. of Equity Shares
4.	Sandeep Sikka	35000
5.	Ajay Sikka	20000
6.	Ravi Shankar	2000
7.	Anil Virmani	4000
8.	Ravinder Kumar	4000
9.	Harjit Singh	2500
10.	Shikha Verma	2000
11.	Radha Sahni	3500
12.	Rajeev Verma	4500
13.	Vinod Kumar	2500
14.	Ashok Kumar	2500
15.	Joginder Singh	2500
16.	Vijay Rai	2500
17.	Balwinder Singh	2500
18.	Amarjit Singh	2500
19.	Kuldip Singh	2500
20.	Radhika Verma	3000
21.	Rohit Verma	3000
22.	Rajesh Verma	3000
23.	Kulwant Kaur	4000
24.	Rajiv Salhotra	4000
25.	Rohit Sahni	4000
26.	Anwar Ansari	2000
27.	Gurdial Singh	2000
28.	Baldev Singh	3000
29.	Manoj Kumari	3500
30.	Gurwinder Singh	3500
31.	Satbir Singh	3000
32.	Prem Kumar	3500
33.	Ranjit Singh	2500
34.	Rajat Sikka	5000
35.	Ram Paul	50000
<b>Total</b>		<b>2,72,500</b>

**10.** Further Issue as on March 16, 2005 of 3,85,000 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Gopika Sikka	45000
2.	Meenakshi Sikka	9500
3.	Gagan Sikka	10000
4.	Sandeep Sikka	9000
5.	Ajay Sikka	14000
6.	Ajay Sikka HUF	15000
7.	Shanti Lal Sikka HUF	7000
8.	Sandeep Sikka HUF	4000
9.	Ramesh Rani	20000
10.	Anjali Arora	4000
11.	Dhiraj Arora	4000
12.	Kuldip Kaur	5000
13.	Abhishek Jain	10000
14.	Santosh Arora	4000
15.	Gaurav Kumar	4500
16.	Mamta Kumar	4500
17.	Parveen Jain	4000
18.	Smt. Parveen Jain	2500
19.	Ramneesh Virmani	2500
20.	Namrata Sharma	3500

Sr. No.	Name	No. of Equity Shares
21.	Anoop Sharma	4000
22.	Rajeev Sharma	4500
23.	Geeta Sharma	3500
24.	Rohit Arora	4000
25.	Anil Kumar	80000
26.	Sham Lal	70000
27.	Umesh Kumar	4000
28.	Shashi Kumar	4000
29.	Spana Kumar	4000
30.	B.M. Reddiar	4500
31.	Ravi Kumar	4500
32.	Bala	3500
33.	B. Sekar	5000
34.	Jasmeet Singh	4000
35.	Manoj Kumar	3500
<b>Total</b>		<b>3,85,000</b>

**11.** Further Issue as on March 31, 2006 of 1,00,960 Equity Shares of face value of Rs 10.00/- each fully paid-up shares the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Jagtar Singh	4000
2.	Nikhil Sikka	4000
3.	Shubham Sikka	4000
4.	Rakesh Kumar	4500
5.	Rajesh Bhatti	9000
6.	Sunita Sikka	5000
7.	Ashok Sikka	5000
8.	Nathu Ram	4500
9.	Pritam Piyari	4500
10.	Vijay Kumar	4000
11.	Desh Raj	4000
12.	Ajay Kalsi	4000
13.	Rajiv Gupta	4000
14.	Harjit Singh	4000
15.	Ravi Shankar	3000
16.	Dev Raj	4000
17.	Param Jit Singh	4000
18.	Anil Trading Co.	5460
19.	Janak Virmani	4500
20.	Ajay Singh	2000
21.	Sheshnarayan Singh	4500
22.	Ashok Kumar	4500
23.	Nacchatar Singh	4500
<b>Total</b>		<b>1,00,960</b>

**12.** Further Issue as on March 31, 2007 of 2,35,301 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Nikhil Sikka	93201
2.	Sunita Sikka	30000
3.	Shubham Sikka	5000
4.	Ashok Sikka	51100
5.	Jasjeet Berri	50000
6.	Krishan Lal Sikka	6000
<b>Total</b>		<b>2,35,301</b>

**13.** Further Issue as on June 30, 2007 of 6,76,310 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Gopika Sikka	28520
2.	Meenakshi Sikka	22900
3.	Gagan Sikka	61450
4.	Shandeep Sikka	205550
5.	Shanti Lal Sikka	69900
6.	M/s. Industrial Machine Tools	8000
7.	M/s. Machinery & Tools (India)	4000
8.	Bimal Arora	8500
9.	M/s. Reddiar & Company	6000
10.	M/s. Reddiar Tools Centre	5800
11.	M/s. Garg Steel Products	4600
12.	Balaji	3500
13.	Ajay Sikka	247590
<b>Total</b>		<b>6,76,310</b>

**14.** Further Issue as on July 31, 2007 of 94,000 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Shanti Lal Sikka	25000
2.	Ajay Sikka	30000
3.	Ajay Sikka HUF	13000
4.	Shanti Lal Sikka HUF	13000
5.	Sandeep Sikka HUF	13000
<b>Total</b>		<b>94,000</b>

**15.** Further Issue as on March 31, 2009 of 99,000 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Shubham Sikka	24000
2.	Anju Anand	75000
<b>Total</b>		<b>99,000</b>

**16.** Further on January 31, 2012 Company has allotted 10,01,946 Equity Shares of face value ₹ 10/- each pursuant to conversion of 7% preference share per the details given below:

Sr. No.	Name	No. of Equity Shares
1.	Sandeep Sikka	154450
2.	Meenakshi Sikka	65900
3.	Gagan Sikka	29250
4.	Gopika Sikka	52250
5.	Suman Bala	22500
6.	Ajay Sikka HUF	27500
7.	Sandeep Sikka HUF	26500
8.	Shanti Lal Sikka HUF	33500
9.	Ramesh Rani	18750
10.	Sonia Arora	5000

Sr. No.	Name	No. of Equity Shares
11.	Ajay Sikka	106750
12.	Rajiv Gupta	2500
13.	Ram Paul	2250
14.	Anil Virmani	7250
15.	Ashok Sikka	10000
16.	Ravinder Kaur	15000
17.	Kanchan Dabur	5000
18.	Deepak Dabur	2500
19.	Dhiraj Arora	7500
20.	Neelam Jhalli	5000
21.	Prabh Dayal	5000
22.	Renu Malhotra	28750
23.	Satpal Chandhok	10000
24.	Rasmeet Kaur	5000
25.	Sanjay Kharbanda	5000
26.	Abhishek Jain	15000
27.	Shubham Sikka	65173
28.	Sunita Sikka	10000
29.	Sunil Malhotra	5000
30.	Kushpal Shinmar	85000
31.	Ravi Prakash	22500
32.	Suresh Aggarwal	5000
33.	Arun Wadhwa	5000
34.	Anjna Wadhwa	5000
35.	Piara Lal Mehra	5000
36.	Goverdhan Khanna	5000
37.	Amit Verma	2250
38.	Sudarshan Pal	2250
39.	Tina Malhotra	2250
40.	Anupma Tondon	2250
41.	Chander Kakkar	2250
42.	Meha Kakkar	2250
43.	Shakti Ohri	2250
44.	Sanjeev Kakkar	2250
45.	Rekha Kakkar	2250
46.	Rajeev Kakkar	2250
47.	Ajay Singh	2750
48.	Nikhil Sikka	45173
49.	Santokh Sikka	30000
50.	M/s. S.P. Enterprises	2250
51.	Anil Verma	2250
52.	Ravinder Kumar	5000
53.	Subhash Luther	2250
54.	Gagandeep Arora	4750
55.	Sameer Walia	2250
<b>Total</b>		<b>10,01,946</b>

17. Bonus Issue as on March 15, 2012 of 36,06,477 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Sandeep Sikka	645475
2.	Ajay Sikka	775238
3.	Meenakshi Sikka	288339
4.	Gopika Sikka	285443
5.	Ramesh Rani	67881
6.	Gagan Sikka	258474
7.	P L Mehra	15000

Sr. No.	Name	No. of Equity Shares
8.	Suman Bala	66820
9.	Anil Virmani	18301
10.	Ajay Sikka HUF	83013
11.	Sandeep Sikka HUF	69500
12.	Shanti Lal Sikka HUF	57500
13.	Shubham Sikka	101673
14.	Ravinder Kumar	9000
15.	Ram Pal	2250
16.	Anjali Arora	8750
17.	Abhishek Jain	25000
18.	Nikhil Sikka	45173
19.	Sunita Sikka	45000
20.	Ashok Sikka	66100
21.	Rajiv Gupta	6500
22.	Anjali Arora	4750
23.	Sonia Arora	5000
24.	Ravinder Kaur	15000
25.	Kanchan Dabur	5000
26.	Deepak Dabur	2500
27.	Gagandeep Arora	4750
28.	Neelam Jhalli	5000
29.	Prabh Dyal	5000
30.	Renu Malhotra	28750
31.	Satpal Chandok	10000
32.	Rasmeet Kaur	5000
33.	Sanjay Kharbanda	5000
34.	Sunil Malhotra	5000
35.	Khushapal Shinmar	85000
36.	Ravi Parkash	22500
37.	Suresh Aggarwal	5000
38.	Arun Wadhera	5000
39.	Anjana Wahdera	5000
40.	Goverdhan Khanna	5000
41.	Amit Verma	2250
42.	Subhash Luther	2250
43.	Sudarshan Pal Arora	2250
44.	Tina Malhotra	2250
45.	Anupam Tondon	2250
46.	Chandar Kakkar	2250
47.	Meha Kakkar	2250
48.	Shakti Ohri	2250
49.	Sanjeev Kakkar	2250
50.	Rekha Kakkar	2250
51.	Rajeev Kakkar	2250
52.	Sameer Walia	2250
53.	Santokh Singh	30000
54.	M/s. S. P. Enterprises	2250
55.	Anil Verma	2250
56.	Dhiraj Arora	7500
57.	Krishna Sikka	10013
58.	Dinseh Sikka	5000
59.	K. K. Walia	1000
60.	M/s. R. K. Iron Traders	2000
61.	Jarnail Singh	3768
62.	Neena Sikka	1000
63.	Shanti Lal Sikka	183609
64.	Harjeet Singh	6500

Sr. No.	Name	No. of Equity Shares
65.	Shikha Verma	2000
66.	Radha Sahni	3500
67.	Rajeev Verma	4500
68.	Parveen Sikka	3157
69.	Dhiraj Arora	4000
70.	Santosh Arora	4000
71.	Gaurav Kumar	4500
72.	Mamta Kumari	4500
73.	Parveen Jain	4000
74.	Smt. Parveen Jain	2500
75.	Ramneesh Virmani	2500
76.	Rajesh Bhatti	9000
77.	Janak Virmani	4500
78.	Jasjeet Beri	25000
79.	Krishan Lal Sikka	6000
80.	Anju Anand	75000
<b>Total</b>		<b>36,06,477</b>

18. Preferential Issue as on July 26, 2014 of 6,42,838 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Gopika Sikka	100283
2.	Ajay Sikka	542555
<b>Total</b>		<b>6,42,838</b>

19. Preferential Issue as on August 21, 2014 of 19,28,516 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	SIDBI Trustee Company Limited A/c India Opportunities Fund	1928516
<b>Total</b>		<b>1,92,8516</b>

b. The following is the history of the Preference Share Capital of our Company:

Sr No.	Date of Allotment/ Issue	Number of Equity Shares allotted	Face value	Issue Price	Nature of Consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital
	(₹)		(₹)	(₹)				
1	March 31, 2010	2,77,650	10	20	Cash	Preferential Issue (Issue of Optionally Convertible 7% Preference Shares)	2,77,650	27,76,500
2	February 15, 2011	7,24,296	10	20	Cash	Preferential Issue (Issue of Optionally Convertible 7% Preference Shares)	10,01,946	1,00,19,460

Sr No.	Date of Allotment/ Issue	Number of Equity Shares allotted	Face value	Issue Price	Nature of Consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital
	(₹)		(₹)	(₹)				
<p><b>Pursuant to Board's resolution dated January 31, 2012, each 7% Convertible preference share of our Company having face value of ₹ 10 each was converted into each Equity Share of face value ₹ 10 each. Therefore 10,01,946 Preference Shares of our Company of face value of ₹ 10 each were converted into 10,01,946 Equity Shares of face value of ₹ 10 each.</b></p>								

1. On March 31, 2010 Company has allotted 2,77,650 Optionally Convertible 7% Preference Shares of face value of ₹ 10/- each fully paid-up shares, the details given below:

Sr. No.	Name	No. of Shares
1.	Sandeep Sikka	5000
2.	Meenakshi Sikka	13500
3.	Gagan Sikka	11500
4.	Gopika Sikka	5000
5.	Suman Bala	10000
6.	Ajay Sikka HUF	10000
7.	Sandeep Sikka HUF	10000
8.	Shanti Lal Sikka HUF	10000
9.	Ramesh Rani	8750
10.	Sonia Arora	5000
11.	Ravi Shankar	3000
12.	Ajay Sikka	2250
13.	Rajiv Gupta	2500
14.	Ram Paul	2250
15.	Anil Virmani	7250
16.	Ajit Pandey	2500
17.	Nikka Ram	2500
18.	Satvir Singh	2500
19.	Ashok Sikka	10000
20.	Ravinder Kaur	15000
21.	Kanchan Dabur	5000
22.	Deepak Dabur	2500
23.	Dhiraj Arora	7500
24.	Gagandeep Arora	2500
25.	Ravinder Jhalli	5000
26.	Neelam Jhalli	5000
27.	Prabh Dayal	5000
28.	Kuldip Kaur	3000
29.	Renu Malhotra	28750
30.	Satpal Chandhok	10000
31.	Rasmeet Kaur	5000
32.	Sanjay Kharbanda	5000
33.	Abhishek Jain	15000
34.	Shubham Sikka	20000
35.	Sunita Sikka	10000
36.	Vimal Arora	2400
37.	Sunil Malhotra	5000
38.	Ajay Sikka	2500
<b>Total</b>		<b>2,77,650</b>

2. On February 15, 2011 Company has allotted 7,24,296 Optionally Convertible 7% Preference Shares of face value of ₹ 10/- each fully paid-up shares, the details given below:

Sr. No.	Name	No. of Shares
1.	Sandeep Sikka	137000
2.	Meenakshi Sikka	50000
3.	Gagan Sikka	15000
4.	Gopika Sikka	45000
5.	Suman Bala	12500
6.	Ajay Sikka HUF	17500
7.	Sandeep Sikka HUF	16500
8.	Shanti Lal Sikka HUF	17500
9.	Ramesh Rani	10000
10.	Ajay Sikka	100000
11.	Gagandeep Arora	2250
12.	Shubham Sikka	45173
13.	Kushpal Shinmar	85000
14.	Ravi Prakash	22500
15.	Suresh Aggarwal	5000
16.	Arun Wadhera	5000
17.	Anjna Wadhera	5000
18.	Piara Lal Mehra	5000
19.	Goverdhan Khanna	5000
20.	Amit Verma	2250
21.	Gurdeep Singh	2250
22.	Sat Pal, son of Babu Ram	2250

Sr. No.	Name	No. of Shares
23.	Satpal Singh, son of Rakha Ram Bhatia	2250
24.	Subhash Luther	2250
25.	Sudarshan Pal	2250
26.	Tina Malhotra	2250
27.	Anupma Tondon	2250
28.	Chander Kakkar	2250
29.	Meha Kakkar	2250
30.	Shakti Ohri	2250
31.	Sanjeev Kakkar	2250
32.	Rekha Kakkar	2250
33.	Rajeev Kakkar	2250
34.	Anjali Arora	2250
35.	Sameer Walia	2250
36.	Ajay Singh	2750
37.	Nikhil Sikka	45173
38.	Santokh Sikka	30000
39.	S.P. Enterprises	2250
40.	Anil Verma	2250
41.	Reddiar & Co.	2450
42.	Sri Vari Tools	2500
<b>Total</b>		<b>7,24,296</b>

**c. Issue of Equity Shares for Consideration other than Cash or out of revaluation reserves.**

Except as set out below, our Company has not issued Equity Shares for consideration other than cash. Further, certain benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Issue/ Allotment	No. of Equity shares Allotted	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Name of Allottees	Benefits Accrued
April 26, 2004	33,801	10	NA	Allotment pursuant to Scheme of Merger	Shareholders of Sharp Forgings Limited	-
January 31, 2012	10,01,946	10	NA	Conversion of 7% Convertible preference shares into Equity Shares	Equity shareholders of our Company <sup>(1)</sup>	-
March 15, 2012	36,06,477	10	N.A.	Bonus Issue	Equity shareholders of our Company <sup>(2)</sup>	Capitalization of Reserves & Surplus

1) Allotment of 142000 Equity Shares to Sandeep Sikka, 63500 Equity Shares to Meenakshi Sikka, 26500 Equity Shares to Gagan Sikka, 52250 Equity Shares to Gopika Sikka, 22500 Equity Shares to Suman Bala, 27500 Equity Shares to Ajay Sikka HUF, 26500 Equity Shares to Sandeep Sikka HUF, 27500 Equity Shares to Shanti Lal Sikka HUF, 18750 Equity Shares to Ramesh Rani, 5000 Equity Shares to Sonia Arora, 3000 Equity Shares to Ravi Shankar, 104500 Equity Shares to Ajay Sikka, 2500 Equity Shares to Rajiv Gupta, 2250 Equity Shares to Ram Paul, 7250 Equity Shares to Anil Virmani, 2500 Equity Shares to Ajit Pandey, 2500 Equity Shares to Nikka Ram, 2500 Equity Shares to Satvir Singh, 10000 Equity Shares to Ashok Sikka, 15000 Equity Shares to Ravinder Kaur, 5000 Equity Shares to Kanchan Dabur, 2500 Equity Shares to Deepak Dabur, 7500 Equity Shares to Dhiraj Arora, 4750 Equity Shares to Gagandeep Arora, 5000 Equity Shares to Ravinder Jhalli, 5000 Equity Shares to Neelam Jhalli, 5000 Equity Shares to Prabh Dayal, 3000 Equity Shares to Kuldeep Kaur, 28750 Equity Shares to Renu Malhotra, 10000 Equity Shares to Satpal Chandhok, 5000 Equity Shares to Rasmeet Kaur, 5000 Equity Shares to Sanjay Kharbanda, 15000 Equity Shares to Abhishek Jain, 65173 Equity Shares to Shubham Sikka, 10000 Equity Shares to Sunita Sikka, 2400 Equity Shares to Vimal Arora, 5000 Equity Shares to Sunil Malhotra, 85000 Equity Shares to Kushpal Shinmar, 22500 Equity Shares to Ravi Prakash, 5000 Equity Shares to Suresh Aggarwal, 5000 Equity Shares to Arun Wadhera, 5000 Equity Shares to Anjna Wadhera, 5000 Equity Shares to Piara Lal Mehra, 5000 Equity Shares to Goverdhan Khanna, 2250 Equity Shares to Amit Verma, 2250 Equity Shares to Sat Pal, 2250 Equity Shares to Satpal Singh, 2250 Equity Shares to Sudarshan Pal, 2250 Equity Shares to Tina Malhotra, 2250 Equity Shares to Anupma Tondon, 2250 Equity Shares to Chander Kakkar, 2250 Equity Shares to Meha Kakkar, 2250 Equity Shares to Shakti Ohri, 2250 Equity Shares to Sanjeev Kakkar, 2250 Equity Shares to Rekha Kakkar, 2250 Equity Shares to Rajeev Kakkar, 4750 Equity Shares to Anjali Arora, 2250 Equity Shares to Sameer Walia, 2750 Equity Shares to Ajay Singh, 45173 Equity Shares to Nikhil Sikka, 30000 Equity Shares to Santokh Sikka, 2250 Equity Shares to M/s. S.P. Enterprises, 2250 Equity Shares to Anil Verma, 2450 Equity Shares to M/s. Reddiar & Co., 2500 Equity Shares to M/s. Sri Vari Tools.

(2) Allotment of 645475 Equity Shares to Sandeep Sikka, 775238 Equity Shares to Ajay Sikka, 288339 Equity Shares to Meenakshi Sikka, 285443 Equity Shares to Gopika Sikka, 67881 Equity Shares to Ramesh Rani, 258474 Equity Shares to Gagan Sikka, 15000 Equity Shares to P L Mehra, 66820 Equity Shares to Suman Bala, 18301 Equity Shares to Anil Virmani, 83013 Equity Shares to Ajay Sikka HUF, 69500 Equity Shares to Sandeep Sikka HUF, 57500 Equity Shares to Shanti Lal Sikka HUF, 101673 Equity Shares to Shubham Sikka, 9000 Equity Shares to Ravinder Kumar, 2250 Equity Shares to Ram Pal, 8750 Equity Shares to Anjali Arora, 25000 Equity Shares to Abhishek Jain, 45173 Equity Shares to Nikhil Sikka, 45000 Equity Shares to Sunita Sikka, 66100 Equity Shares to Ashok Sikka, 6500 Equity Shares to Rajiv Gupta, 2000 Equity Shares to Ajay Singh, 5000 Equity Shares to Sonia Arora, 15000 Equity Shares to Ravinder Kaur, 5000 Equity Shares to Kanchan Dabur, 2500 Equity Shares to Deepak Dabur, 4750 Equity Shares to Gagandeep Arora, 5000 Equity Shares to Neelam Jhalli, 5000 Equity Shares to Prabh Dyal, 28750 Equity Shares to Renu Malhotra, 10000 Equity Shares to Satpal Chandok, 5000 Equity Shares to Rasmeet Kaur, 5000 Equity Shares to Sanjay Kharbanda, 5000 Equity Shares to Sunil Malhotra, 85000 Equity Shares to Khushpal Shinmar, 22500 Equity Shares to Ravi Prakash, 5000 Equity Shares to Suresh Aggarwal, 5000 Equity Shares to Arun Wadhera, 5000 Equity Shares to Anjana Wadhera, 5000 Equity Shares to Goverdhan Khanna, 2250 Equity Shares to Amit Verma, 2250 Equity Shares to Subhash

Luther, 2250 Equity Shares to Sudarshan Pal Arora, 2250 Equity Shares to Tina Malhotra, 2250 Equity Shares to Anupam Tondon, 2250 Equity Shares to Chandar Kakkar, 2250 Equity Shares to Meha Kakkar, 2250 Equity Shares to Shakti Ohri, 2250 Equity Shares to Sanjeev Kakkar, 2250 Equity Shares to Rekha Kakkar, 2250 Equity Shares to Rajeev Kakkar, 2250 Equity Shares to Sameer Walia, 30000 Equity Shares to Santokh Singh, 2250 Equity Shares to M/s. S. P. Enterprises, 2250 Equity Shares to Anil Verma, 7500 Equity Shares to Dhiraj Arora, 10013 Equity Shares to Krishna Sikka, 5000 Equity Shares to Dinseh Sikka, 1000 Equity Shares to K. K. Walia, 2000 Equity Shares to M/s. R. K. Iron Traders, 3768 Equity Shares to Jarnail Singh, 1000 Equity Shares to Neena Sikka, 183609 Equity Shares to Shanti Lal Sikka, 6500 Equity Shares to Harjeet Singh, 2000 Equity Shares to Shikha Verma, 3500 Equity Shares to Radha Sahni, 4500 Equity Shares to Rajeev Verma, 3157 Equity Shares to Parveen Sikka, 4000 Equity Shares to Dhiraj Arora, 4000 Equity Shares to Santosh Arora, 4500 Equity Shares to Gaurav Kumar, 4500 Equity Shares to Mamta Kumari, 4000 Equity Shares to Parveen Jain, 2500 Equity Shares to Smt. Parveen Jain, 2500 Equity Shares to Ramneesh Virmani, 9000 Equity Shares to Rajesh Bhatti, 4500 Equity Shares to Janak Virmani, 25000 Equity Shares to Jasjeet Beri, 6000 Equity Shares to Krishan Lal Sikka, 75000 Equity Shares to Anju Anand.

As adjusted for sub-division of equity shares. Pursuant to shareholders resolution dated July 31, 2004, each fully paid-up equity shares of our Company having face value of ₹ 100 each into Equity Share was subdivided into equity share of face value ₹ 10 each

1. Our Company has not issued any Equity Shares at price below Issue Price within last one (1) year from the date of this Prospectus.
2. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees.
3. The Issue Price has been determined by our Company in consultation with the Lead Manager. As on the date of this Prospectus, Our Company has only one class of share capital i.e., Equity Shares of ₹10 /- each.
4. Our Company has no outstanding convertible instruments as on the date of this Prospectus.
5. As on the date of this Prospectus, our Company does not have outstanding preference shares.
6. Equity Shares issued for consideration other than cash or out of revaluation reserves or by way of a bonus issue

Our Company has not issued any Equity Shares out of its revaluation reserves. Further, except as set forth below, our Company has not issued any Equity Shares for consideration other than cash or as a bonus issue:

Date of Allotment	Reason/Nature of Allotment	Issue Price per Equity shares (₹)	No. of Equity Shares Allotted	Face Value (₹)	Benefits accrued to our Company
March 15, 2012	Bonus issue in the ratio of 1 Equity Shares for every one Equity shares held	Nil	36,06,477	10	Capitalization of Reserves & Surplus

## 7. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Prospectus.

The table below represents the current Shareholding pattern of our Company as on the date of this Prospectus:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid-up equity	No of partly paid-up equity shares held	No. of shares underlying Depository Receipts (VI)	Total No of Shares held	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
			shares held (IV)	(V)		(VII = IV + V + VI)		No of voting Right	Total as % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
A	Promoter and Promoter Group	5	78,55,542	-	-	78,55,542	80.29%	78,55,542	80.29%	-	80.29%	-	-	-	-	78,55,542
B	Public	4	19,28,766	-	-	19,28,766	19.71%	19,28,766	19.71%	-	19.71%	-	-	-	-	19,28,766
C	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid-up equity	No of partly paid-up equity shares held	No. of shares underlying Depository Receipts (VI)	Total No of Shares held	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat	
			shares held (IV)	(V)		(VII = IV + V + VI)		No of voting Right	Total as % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)		Form (XIV)
C1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (A+B+C)</b>	<b>9</b>	<b>97,84,308</b>	<b>-</b>	<b>-</b>	<b>97,84,308</b>	<b>100.00</b>	<b>97,84,308</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,84,308</b>

**Note:**

- *As on the date of this Prospectus 1 Equity Share holds 1 vote*
- *PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.*
- *Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of NSE EMERGE platform before commencement of trading of such equity shares.*

*[The Remainder of this Page has intentionally been left blank]*

**8. The share holding pattern of our Promoters, Promoter Group and Public before and after the Issue is set forth below:**

Particulars	Pre-Issue		Post-Issue*	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
<b>Promoter (A)</b>				
Ajay Sikka	49,33,740	50.42%	49,33,740	45.85%
Gopika Sikka	17,84,620	18.24%	17,84,620	16.59%
<b>Total (A)</b>	<b>67,18,360</b>	<b>68.66%</b>	<b>67,18,360</b>	<b>62.44%</b>
<b>Promoter Group (B)</b>				
Ajay Sikka HUF	2,53,026	2.59%	2,53,026	2.35%
Late Ramesh Rani	3,15,471	3.22%	3,15,471	2.93%
Suman Bala	5,68,685	5.81%	5,68,685	5.29%
<b>Total (B)</b>	<b>11,37,182</b>	<b>11.62%</b>	<b>11,37,182</b>	<b>10.57%</b>
<b>Public (C)</b>				
Public Shareholders	19,28,766	19.71%	19,28,766	<b>17.93%</b>
<b>Total (A+B+C)</b>	<b>97,84,308</b>	<b>100.00%</b>	<b>97,84,308</b>	<b>90.93%</b>

*\*Subject to finalization of Basis of Allotment*

**9. Except as mentioned below, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Prospectus:**

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of ₹ 10 each)	Percentage of Pre-Issue Paid up Share Capital share capital (%)
1.	Ajay Sikka	49,33,740	50.42 %
2.	Gopika Sikka	17,84,620	18.24 %
	<b>Total</b>	<b>67,18,360</b>	<b>68.66%</b>

**10. The list of shareholders holding 1% or more of the paid-up capital of our Company is as under:**

Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on the date of this Prospectus:

Sr No.	Particulars	Number of Shares	Percentage (%) holding
1	Ajay Sikka	49,33,740	50.42%
2	Gopika Sikka	17,84,620	18.24%

Sr No.	Particulars	Number of Shares	Percentage (%) holding
3	SIDBI Trustee Company Limited A/c India Opportunities Fund	19,28,516	19.71%
4	Suman Bala	5,68,685	5.81%
5	Late Ramesh Rani	3,15,471	3.22%
6	Ajay Sikka HUF	2,53,026	2.59%
	<b>Total</b>	<b>97,84,058</b>	<b>100.00%</b>

**11. Particulars of shareholders holding 1% or more of the paid-up capital of our Company, ten (10) days prior to the date of filing this Prospectus:**

Sr No.	Particulars	Number of Shares	Percentage (%) holding
1	Ajay Sikka	49,33,740	50.43%
2	Gopika Sikka	17,84,620	18.24%
3	SIDBI Trustee Company Limited A/c India Opportunities Fund	19,28,516	19.71%
4	Suman Bala	5,68,685	5.81%
5	Late Ramesh Rani	3,15,471	3.22%
6	Ajay Sikka HUF	2,53,026	2.59%
	<b>Total</b>	<b>97,84,058</b>	<b>100.00%</b>

**12. Particulars of shareholders holding 1% or more of the paid-up capital, one (1) year prior to the date of filling this Prospectus:**

Particulars	Number of Shares	Percentage (%) holding
Ajay Sikka	40,50,920	41.40%
Suman Bala	5,68,685	5.81%
Ashok Sikka	6,42,892	6.57%
Late Ramesh Rani	3,15,471	3.22%
Ajay Sikka HUF	2,53,026	2.59%
Gopika Sikka	17,67,170	18.06%
SIDBI Trustee Company Limited A/c India Opportunities Fund	19,28,516	19.71%
<b>Total</b>	<b>95,26,680</b>	<b>97.36%</b>

**13. Particulars of shareholders holding 1% or more of the paid-up capital, two (2) years prior to the date of filling this Prospectus**

Particulars	Number of Shares	Percentage (%) holding
Ajay Sikka	40,50,920	41.40%
Suman Bala	5,68,685	5.81%
Ashok Sikka	6,42,892	6.57%
Late Ramesh Rani	3,15,471	3.22%
Ajay Sikka HUF	2,53,026	2.59%
Gopika Sikka	17,67,170	18.06%
SIDBI Trustee Company Limited A/c India Opportunities Fund	19,28,516	19.71%
<b>Total</b>	<b>95,26,680</b>	<b>97.36%</b>

#### 14. History of the Equity Share capital held by our Promoter

As on the date of this Prospectus, our Promoters holds 67,18,360 Equity Shares, equivalent to 68.66% of the issued, subscribed and paid-up Equity Share capital of our Company.

##### a. Capital built-up of our Promoter:

Name of the Promoter: Ajay Sikka								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price	Reason / Nature of Allotment	Cumulative No. of Shares	Percentage of the pre-issue capital	Percentage of the post-issued capital (in %)
				(In ₹)			(in %)	(in %)
Date of Incorporation	50	Cash	100	100	Subscriber to MOA	50	Negligible	Negligible
July 16, 1996	1050	Cash	100	100	Further Issue	1100	0.01%	0.01%
October 23, 2001	300	Cash	100	100	Further Issue	1400	Negligible	Negligible
January 27, 2004 <sup>#</sup>	2700	Cash	100	100	Transfer from Reddiar Tools Centre	1400*	0.03%	0.03%
April 26, 2004	11552	Other than Cash	100	-	Allotment pursuant to Scheme of Merger between Sharp Forgings Limited with Sharp Chucks And Machines Private Limited	12952	0.12%	0.11%
<b><i>Pursuant to shareholders resolution dated July 31, 2004, each fully paid-up equity share of our Company having face value of ₹ 100 each into Equity Share was subdivided into equity share of face value ₹ 10 each. Therefore 12952 Equity Shares of our Company of face value of ₹ 100 each were sub-divided into 129520 Equity Shares of face value of ₹ 10 each.</i></b>								
August 03, 2004 <sup>#</sup>	5000	Cash	10	10	Transfer from Ravi Parkash Sikka	137220	0.05%	0.05%
August 03, 2004 <sup>#</sup>	2	Cash	10	10	Transfer from Jarnail Singh	137222	Negligible	Negligible
August 07, 2004	20000	Cash	10	10	Further Issue	157222	0.20%	0.19%
March 16, 2005	14000	Cash	10	10	Further Issue	171222	0.14%	0.13%
June 15, 2006 <sup>#</sup>	5000	Cash	10	10	Transfer from B. Sekhar	176222	0.05%	0.05%

Name of the Promoter: Ajay Sikka								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price	Reason / Nature of Allotment	Cumulative No. of Shares	Percentage of the pre-issue capital	Percentage of the post-issued capital (in %)
				(In ₹)			(in %)	(in %)
April 30, 2007 #	58350	Cash	10	10	Transfer from Ravi Parkash Sikka	234572	0.60%	0.54%
April 30, 2007 #	4000	Cash	10	10	Transfer from R.P. Sikka HUF	238572	0.04%	0.04%
April 30, 2007 #	1300	Cash	10	10	Transfer from Punjab Traders	239872	0.01%	0.01%
April 30, 2007 #	13	Cash	10	10	Transfer from Yudhvir Verma	239885	Negligible	Negligible
April 30, 2007 #	13	Cash	10	10	Transfer from B.M. Tondon	239898	Negligible	Negligible
April 30, 2007 #	1000	Cash	10	10	Transfer from Vikram Sahni	240898	0.01%	0.01%
April 30, 2007 #	7000	Cash	10	10	Transfer from Balaji	247898	0.07%	0.07%
June 30, 2007	247590	Cash	10	10	Further Issue	495488	2.53%	2.30%
July 31, 2007	30000	Cash	10	10	Further Issue	525488	0.31%	0.28%
January 07, 2008 #	6000	Cash	10	10	Transfer from M/s. Reddiar & Co.	531488	0.06%	0.06%
January 07, 2008 #	6000	Cash	10	10	Transfer from Reddiar Tools Centre	537488	0.06%	0.06%
January 07, 2008 #	2500	Cash	10	10	Transfer from Amarjit Singh	539988	0.03%	0.02%
September 09, 2009 #	2500	Cash	10	10	Transfer from Vinod Kumar	542488	0.03%	0.02%
September 09, 2009 #	4000	Cash	10	10	Transfer from Rohit Arora	546488	0.04%	0.04%
September 09, 2009 #	4500	Cash	10	10	Transfer from Sheshnarayan Singh	550988	0.05%	0.04%

Name of the Promoter: Ajay Sikka								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price	Reason / Nature of Allotment	Cumulative No. of Shares	Percentage of the pre-issue capital	Percentage of the post-issued capital (in %)
				(In ₹)			(in %)	(in %)
September 09, 2009 #	2000	Cash	10	10	Transfer from Anwar Ansari	552988	0.02%	0.02%
September 09, 2009 #	35000	Cash	10	10	Transfer from Shanti Lal	587988	0.36%	0.33%
September 09, 2009 #	50000	Cash	10	10	Transfer from Nikhil Sikka	637988	0.51%	0.46%
March 31, 2010 #	4000	Cash	10	10	Transfer from Vijay Kumar	641988	0.04%	0.04%
March 31, 2010 #	3500	Cash	10	10	Transfer from Prem Kumar	645488	0.04%	0.03%
March 31, 2010 #	8000	Cash	10	10	Transfer from M/s Industrial Machine Tools	653488	0.08%	0.07%
March 31, 2010 #	2500	Cash	10	10	Transfer from Vijay Rai	655988	0.03%	0.02%
March 31, 2010 #	12500	Cash	10	10	Transfer from Jasjeet Berry	668488	0.13%	0.12%
January 31, 2012	106750	Other than Cash	10	Nil	Conversion of 7% Convertible preference shares into Equity Shares	775238	1.09%	0.99%
March 31, 2012	775238	Other than Cash	10	Nil	Bonus Issue	1550476	7.92%	7.20%
April 02, 2013 #	4000	Cash	10	10	Transfer from M/s Iron Traders	1554476	0.04%	0.04%
April 02, 2013 #	2000	Cash	10	10	Transfer from Neena Sikka	1556476	0.02%	0.02%
April 02, 2013 #	4500	Cash	10	10	Transfer from Rajeev Kakkar	1560976	0.05%	0.04%
April 02, 2013 #	4500	Cash	10	10	Transfer from Sameer Walia	1565476	0.05%	0.04%

Name of the Promoter: Ajay Sikka								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price	Reason / Nature of Allotment	Cumulative No. of Shares	Percentage of the pre-issue capital	Percentage of the post-issued capital (in %)
				(In ₹)			(in %)	(in %)
April 02, 2013 #	4500	Cash	10	10	Transfer from M/s S.P Enterprise	1569976	0.05%	0.04%
April 02, 2013 #	4500	Cash	10	10	Transfer from Anil Verma	1574476	0.05%	0.04%
April 02, 2013 #	4500	Cash	10	10	Transfer from Meha Kakkar	1578976	0.05%	0.04%
April 02, 2013 #	4500	Cash	10	10	Transfer from shakti Ohri	1583476	0.05%	0.04%
May 18, 2013 #	4000	Cash	10	10	Transfer from Shikha Verma	1587476	0.04%	0.04%
May 18, 2013 #	10000	Cash	10	10	Transfer from Prabh Dyal	1597476	0.10%	0.09%
May 18, 2013 #	20000	Cash	10	10	From Satpal Chandok	1617476	0.20%	0.19%
May 18, 2013 #	10000	Cash	10	10	Transfer from Rasmeet Kaur	1627476	0.10%	0.09%
May 18, 2013 #	170000	Cash	10	10	Transfer from Khushpal Shinmar	1797476	1.74%	1.58%
June 28, 2013 #	1370950	Cash	10	10	Transfer from Sandeep Sikka	3168426	14.01%	12.74%
June 28, 2013 #	182939	Cash	10	10	Transfer from Meenakshi Sikka	3351365	1.87%	1.70%
December 18, 2013 #	13000	Cash	10	10	Transfer from Harjit Singh	3364365	0.13%	0.12%
December 18, 2013 #	9000	Cash	10	10	Transfer from Rajeev Verma	3373365	0.09%	0.08%
December 18, 2013 #	18000	Cash	10	10	Transfer from Rajesh Bhatti	3391365	0.18%	0.17%

Name of the Promoter: Ajay Sikka								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price	Reason / Nature of Allotment	Cumulative No. of Shares	Percentage of the pre-issue capital	Percentage of the post-issued capital (in %)
				(In ₹)			(in %)	(in %)
December 18, 2013 #	4500	Cash	10	10	Transfer from Ram Pal	3395865	0.05%	0.04%
December 18, 2013 #	57500	Cash	10	10	Transfer from Renu Malhotra	3453365	0.59%	0.53%
February 10, 2014 #	25000	Cash	10	10	Transfer from Jasjeet Berry	3478365	0.26%	0.23%
February 10, 2014 #	30000	Cash	10	10	Transfer from Ravinder Kaur	3508365	0.31%	0.28%
July 26, 2014	542555	Cash	10	38.89	Preferential issue	4050920	5.55%	5.04%
November 24, 2022	13000	Cash	10	10	Transfer from Rajeev Gupta	4063920	0.13%	0.12%
November 29, 2022	58000	Cash	10	4	Transfer from Abhishek Jain	4121920	0.59%	0.54%
December 6, 2022	28000	Cash	10	10	Transfer from Ravinder Kumar Jhalli	4149920	0.29%	0.26%
December 2, 2022	642892	Cash	10	2	Transfer from Ashok Sikka	4792812	6.57%	5.97%
December 16, 2022	29926	Cash	10	2	Transfer from Dinesh Sikka	4822738	0.31%	0.28%
January 13, 2023	50602	Cash	10	10	Transfer from Anil Kumar Virmani	4873340	0.52%	0.47%
March 21, 2023	60400	Cash	10	10	Transfer from Dhiraj Arora	4933740	0.62%	0.56%
<b>Total</b>						<b>4933740</b>	<b>50.42%</b>	<b>45.85%</b>

\*This transfer was not considered in split

#Share transfer forms for certain past transfers could not be traced, or we do not possess the share transfer forms indicating the consideration involved. Accordingly, we have relied on other available corporate records, including statutory registers, Board resolutions, annual returns in order to trace such transfers. *Please refer to “Risk Factor” - Certain of our corporate records are not traceable or have discrepancies. We cannot assure you that any regulatory*

proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 23 of this Prospectus.

Name of the Promoter: Gopika Sikka								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share	Reason / Nature of Allotment	Cumulative No. of Shares	Percentage of the pre-issue capital	Percentage of the post-issued capital (in %)
				(In ₹)			(in %)	
July 16, 1996	800	Cash	100	100	Further Issue	800	0.01%	0.01%
December 27, 2000	500	Cash	100	100	Further Issue	1300	0.01%	Negligible
June 25, 2001	500	Cash	100	100	Further Issue	1800	0.02%	Negligible
October 23, 2001	200	Cash	100	100	Further Issue	2000	0.02%	Negligible
April 26, 2004	2967	Other than Cash	100	-	Allotment pursuant to Scheme of Merger between Sharp Forgings Limited with Sharp Chucks And Machines Private Limited	4967	0.03%	0.03%
<b><i>Pursuant to shareholders resolution dated July 31, 2004, each fully paid-up equity share of our Company having face value of ₹ 100 each into Equity Share was subdivided into equity share of face value ₹ 10 each. Therefore 4967 Equity Shares of our Company of face value of ₹ 100 each were sub-divided into 49670 Equity Shares of face value of ₹ 10 each.</i></b>								
August 03, 2004 #	27002	Cash	10	10	Transfer from Gagan Sikka	76672	0.28%	0.25%
March 16, 2005	45000	Cash	10	10	Further Issue	121672	0.46%	0.42%
June 15, 2006 #	3500	Cash	10	10	Transfer from Manoj Kumari	125172	0.04%	0.03%

Name of the Promoter: Gopika Sikka								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share	Reason / Nature of Allotment	Cumulative No. of Shares	Percentage of the pre-issue capital	Percentage of the post-issued capital (in %)
				(In ₹)			(in %)	
June 15, 2006 #	1500	Cash	10	10	Transfer from Radhika Verma	126672	0.02%	0.01%
April 30, 2007 #	3500	Cash	10	10	Transfer from Geeta Sharma	130172	0.04%	0.03%
June 30, 2007	28520	Cash	10	10	Further Issue	158692	0.29%	0.27%
January 07, 2008 #	4300	Cash	10	10	Transfer from BMB Raddiar	162992	0.04%	0.04%
January 07, 2008 #	4500	Cash	10	10	Transfer from Manoj Kumar	167492	0.05%	0.04%
January 07, 2008 #	3500	Cash	10	10	Transfer from Nikhil Sikka	170992	0.04%	0.03%
September 09, 2009 #	47201	Cash	10	10	Transfer from Rohit Verma	218193	0.48%	0.44%
March 31, 2010 #	6000	Cash	10	10	Transfer from Rohit Sahni	224193	0.06%	0.06%
March 31, 2010 #	1000	Cash	10	10	Transfer from M/s Super Machinery	225193	0.01%	0.01%
March 31, 2010 #	1000	Cash	10	10	Transfer from M/s S. Thukural k Co.	226193	0.01%	0.01%

Name of the Promoter: Gopika Sikka								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share	Reason / Nature of Allotment	Cumulative No. of Shares	Percentage of the pre-issue capital	Percentage of the post-issued capital (in %)
				(In ₹)			(in %)	
March 31, 2010 #	1000	Cash	10	10	Transfer from M/s Bikram Traders	227193	0.01%	0.01%
March 31, 2010 #	3000	Cash	10	10	Transfer from Rohit Verma	230193	0.03%	0.03%
March 31, 2010 #	3000	Cash	10	10	Transfer from Rajesh Verma	233193	0.03%	0.03%
January 31, 2012	52250	Other than Cash	10	Nil	Conversion of 7% Convertible preference shares into Equity Shares	285443	0.53%	0.49%
March 31, 2012	285443	Other than Cash	10	Nil	Bonus Issue	570886	2.92%	2.65%
April 02, 2013 #	4500	Cash	10	10	Transfer from Sanjeev Kakkar	575386	0.05%	0.04%
April 02, 2013 #	4500	Cash	10	10	Transfer from Rekha Kakkar	579886	0.05%	0.04%
April 02, 2013 #	6314	Cash	10	10	Transfer from Parveen Sikka	586200	0.06%	0.06%
May 18, 2013 #	60000	Cash	10	10	Transfer from Santokh Singh	646200	0.61%	0.56%
May 18, 2013 #	150000	Cash	10	10	Transfer from Anju Anand	796200	1.53%	1.39%

Name of the Promoter: Gopika Sikka								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share	Reason / Nature of Allotment	Cumulative No. of Shares	Percentage of the pre-issue capital	Percentage of the post-issued capital (in %)
				(In ₹)			(in %)	
July 01, 2013 #	393739	Cash	10	10	Transfer from Meenakshi Sikka	1189939	4.02%	3.66%
July 01, 2013 #	463448	Cash	10	10	Transfer from Gagan Sikka	1653387	4.74%	4.31%
December 18, 2013 #	4500	Cash	10	10	Transfer from Mamta Kumari	1657887	0.05%	0.04%
December 18, 2013 #	9000	Cash	10	10	Transfer from Gaurav Kumar	1666887	0.09%	0.08%
July 26, 2014	100283	Cash	10	10	Preferential issue	1767170	1.02%	0.93%
March 02, 2023	17450	Cash	10	10	Transfer from Anjali Arora	1784620	0.18%	0.16%
<b>Total</b>						<b>17,84,620</b>	<b>18.24%</b>	<b>16.59%</b>

#Share transfer forms for certain past transfers could not be traced, or we do not possess the share transfer forms indicating the consideration involved. Accordingly, we have relied on other available corporate records, including statutory registers, Board resolutions, annual returns in order to trace such transfers. *Please refer to “Risk Factor” - Certain of our corporate records are not traceable or have discrepancies. We cannot assure you that any regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 23 of this Prospectus.*

15. All the Equity Shares allotted to the Promoter as given above were fully paid up as on the date of such allotment. Further, none of the shares have been pledged with any bank/ financial institution and/ or with anybody else.

16. We hereby confirm that:

- i. None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Prospectus, except as stated in “*Capital Structure - History of the Equity Share*”
- ii. None of the Promoters, members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company within the period of six months immediately preceding the date of this Prospectus.

### 17. Details of Promoter contribution locked in for three (3) years:

Pursuant to the Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Prospectus, our Promoters holds 67,18,360 Equity Shares constituting 62.44 % of the Post-Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoters' Contribution. Our Promoter have consented to include such number of Equity Shares held by them as may constitute of the post issue Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoter Contribution and their lock-in details are as follows:

Promoter	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Acquisition	No. of Equity Shares	Face Value (in ₹)	Issue Price per Equity share (in ₹)	% of Post Issue Equity shares Capital	Lock in Period
Ajay Sikka	August 03, 2004	Transfer	5000	10	10	0.05%	November 15, 2026
	April 30, 2007	Transfer	58,350	10	10	0.54%	
	June 30, 2007	Further Issue	2,47,590	10	10	2.30%	
	January 31, 2012	Conversion of 7% Convertible preference shares into Equity Shares	1,06,750	10	Nil	0.99%	
	March 31, 2012	Bonus Issue	7,75,238	10	Nil	7.20%	
Gopika Sikka	August 03, 2004	Transfer	27,002	10	10	0.25%	November 15, 2026
	March 16, 2005	Further Issue	45,000	10	10	0.42%	
	June 30, 2007	Further Issue	28,520	10	10	0.27%	
	September 09, 2009	Transfer	47,201	10	10	0.44%	
	January 31, 2012	Conversion of 7% Convertible preference shares into Equity Shares	52,250	10	Nil	0.49%	
	March 31, 2012	Bonus Issue	2,85,443	10	Nil	2.65%	
	May 18, 2013	Transfer	60,000	10	10	0.56%	
	July 01, 2013	Transfer	4,63,448	10	10	4.31%	
<b>Total</b>			<b>22,01,792</b>			<b>20.46%</b>	

The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as '*promoter*' under the SEBI ICDR Regulations. The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the three (3) years preceding the date of filing of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of minimum Promoters' contribution;
- Equity Shares acquired by our Promoter during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue is not part of the minimum promoter's contribution;
- The Equity Shares held by the Promoter that are subject to any pledge or any other form of encumbrance

- iv. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership into a company in the past one (1) year and thus, no Equity Shares have been issued to our Promoter upon conversion of a partnership firm a limited liability partnership in the past one (1) year.
- v. As on the date of this Prospectus, the Equity Shares held by the Promoters are in dematerialized form.

#### **18. Equity Shares locked-in for one year other than Minimum Promoters' Contribution.**

Pursuant to regulation 238(b) and 239 of the SEBI (ICDR) Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue 56,54,000 Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

#### **19. Transferability of Locked in Equity Shares**

- a) In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoter as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important nonbanking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) Further, pursuant to Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under SEBI ICDR Regulations has ended, subject to compliance with SEBI Takeover Regulations, as applicable.
- c) Further, pursuant to Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by Promoters prior to the Issue and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

#### **20. Pledge of Locked in Equity Shares**

In terms of Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions or a systemically important non-banking finance company or a housing finance company, subject to the following:

- a) If the Equity Shares are locked-in in terms of sub-regulation (a) of Regulation 238 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of specified securities is one of the terms of sanction of the loan;
- b) If the Equity Shares are locked-in in terms of sub-regulation (b) of Regulation 238 of the SEBI ICDR Regulations and the pledge of Equity Shares is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

#### **21. Inscription or recording of non-transferability**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock- in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

## **22. Details of share capital locked in for one (1) year**

Other than the above-mentioned Equity Shares that would be locked-in for three (3) years, the entire pre-Issue capital of our Company would be locked-in for a period of one (1) year from the date of Allotment in the Issue pursuant to Regulation 238(b) and Regulation 239 of SEBI ICDR Regulations.

- 23.** As on date of this Prospectus, our Company has 9 shareholders.
- 24.** Except mentioned below, as on date of this Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Sections 230-232 of the Companies Act, 2013.

Issue of shares pursuant to scheme of merger between Sharp Forgings Limited with Sharp Chucks And Machines Private Limited as on April 26, 2004 of 33,801 Equity Shares of face value of Rs 100.00 /- each fully paid-up shares
- 25.** None of the persons/entities comprising our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six (6) months immediately preceding the date of this Prospectus.
- 26.** There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares have been listed. Our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, Our Company is in expansion phase and may need additional capital to fund existing/ and or future organic and/ or inorganic expansion. Therefore, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the issue appropriately in due compliance with the applicable statutory provisions.
- 27.** Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy-back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
- 28.** Neither the Lead Manager nor any of their associates (as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
- 29.** There are no Equity Shares against which depository receipts have been issued.
- 30.** Our Company shall ensure that transactions in the Equity Shares by the Promoter and the members of the Promoter Group during the period between the date of registering the Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchange within twenty-four (24) hours of the transaction.
- 31.** As per RBI regulations, OCBs are not allowed to participate in this Issue.
- 32.** Our Promoters and the members of our Promoter Group will not participate in this Issue.
- 33.** There are no Equity Shares against which depository receipts have been issued
- 34.** Our Company has not raised any bridge loans against the proceeds of the Issue.
- 35.** There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
- 36.** The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of the Prospectus.
- 37.** In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- 38.** No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

39. As on the date of this Prospectus, the Lead Manager and their respective associates (determined as per the definition of 'associate Company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.
40. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled "***Our Management***" beginning on page 164 of this Prospectus.

**SECTION - IV - PARTICULARS OF THE OFFER**  
**OBJECTS OF THE OFFER**

The Offer comprises a Fresh Issue of 9,75,484 Equity Shares, aggregating ₹ 565.78 Lakhs by our Company and an Offer for Sale of 19,28,516 Equity Shares, aggregating ₹ 1,118.54 Lakhs by the Selling Shareholder.

**The Offer for Sale**

The proceeds of the Offer for sale shall be received by the Selling Shareholder. Our Company will not receive any proceeds from Offer for Sale. In accordance with SSA entered on April 22, 2014 all the cost, fees and expenses in respect of the Offer will be borne by our Company. The proceeds of the Offer for Sale will be received by the Selling Shareholder and will not form part of the Net Proceeds.

**The Fresh Issue**

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Funding our working capital requirements; and
2. General corporate purposes  
(collectively referred to herein as the “Objects”).

We believe that the listing of Equity Shares will enhance our Company’s visibility, brand name and create a public market for our Equity Shares in India.

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue. The fund requirement and its deployment are based on estimates made by our management and such estimates have not been subjected to appraisal by any bank or financial institution.

**Net Proceeds**

The details of the Net Proceeds are summarized in the table below:

Particulars	Estimated Amount (₹ in Lakhs)
Gross proceeds of the Fresh Issue	565.78
Less: Offer related expenses	260.00
Net Offer Proceeds from the Fresh Issue after deducting the Offer related expenses to be borne by our Company (“Net Proceeds”)	305.78

*\*All the expenses related issue/offer shall be borne by our Company.*

**Utilization of Net Proceeds and Schedule of Implementation and Deployment**

The Net Proceeds are proposed to be deployed in accordance with the schedule set forth below

(₹ in lakhs)

Particulars	Amount to be funded from Net Proceeds	Estimated utilisation of Net Proceeds
		FY 2024
Funding our working capital requirements	267.00	267.00
General corporate purposes*	38.78	38.78

Particulars	Amount to be funded from Net Proceeds	Estimated utilisation of Net Proceeds
		FY 2024
<b>Net Proceeds of the issue</b>	<b>305.78</b>	<b>305.78</b>

\* *The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue*

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the FY 2024. In the event that the estimated utilization of the Net Proceeds in financial year 2024 is not completely met, the same shall be utilized, in part or full, in the next financial year or a subsequent period towards the Objects.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, as indicated above, are based on our current business plan and circumstances, management estimates, prevailing market conditions and other commercial and technical factors, which are subject to change from time to time. These fund requirements have not been appraised by any bank, financial institution or any other external agency. Our Company may have to revise its funding requirements and deployment on account of a variety of factors, including but not limited to our financial and market condition, business and strategy, competition, interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to applicable law.

In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to availability and compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking additional equity and/or debt arrangements from existing and future lenders or any combination of them. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for (i) general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations; or (ii) towards any other object where there may be a shortfall, at the discretion of the management of our Company and in compliance with applicable laws.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the chapter titled “**Risk Factors**” beginning on page 23 of this Prospectus.

### **Means of finance**

Fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue or through existing identifiable internal accruals.

### **Details of objects of the fresh issue**

#### **1. Funding our working capital requirements**

Our Company proposes to utilise ₹ 267.00 lakhs from the Net Proceeds towards funding its working capital requirements in Fiscal 2024. We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks and financial institutions. Our Company requires additional working capital for funding future growth requirements of our Company and for other business purposes, and the Net Proceeds deployed towards funding our working capital requirements are proposed to be utilised for the aforesaid purposes. For further details of our business, please refer to chapter titled “**Our Business**” on page 131 of the Prospectus.

### Basis of estimation of working capital requirement

We propose to utilise ₹ 267.00 lakhs from the Net Proceeds to fund the working capital requirements of our Company in the Fiscal 2024. The balance portion of our working capital requirement will be arranged from existing equity, internal accruals, borrowings from banks and financial institutions

The details of our Company's working capital for Fiscal 2023, Fiscal 2022 and Fiscal 2021, and the source of funding, derived from the standalone restated financial statement of our Company, as certified by M/s. JMR & Associates, Chartered Accountants through their certificate dated September 23, 2023 are provided in the table below:

(₹ in lakhs)

Sr No	Particulars	As at March 31, 2023 (Restated)	As at March 31, 2022 (Restated)	As at March 31, 2021 (Restated)
<b>I</b>	<b>Current assets</b>			
	Inventories	6,464.69	5,091.49	5,193.83
	Trade receivables	2,910.07	3,359.20	2,133.91
	Short Term Loans & Advances	438.58	497.28	286.75
	Other Current Asser	Nil	52.55	3.62
	<b>Total Current Assets (A)</b>	<b>9813.34</b>	<b>9000.52</b>	<b>7,618.11</b>
<b>II</b>	<b>Current liabilities</b>			
	Trade payables	2,319.07	2,313.40	1,793.04
	Other Current Liabilities	592.85	417.81	476.33
	Short Term provision	140.69	117.38	90.20
	<b>Total current liabilities (B)</b>	<b>3,052.61</b>	<b>2,848.59</b>	<b>2,359.57</b>
	<b>Net working capital (A – B)</b>	<b>6,760.73</b>	<b>6,151.93</b>	<b>5,258.54</b>
<b>III</b>	<b>Sources of funds</b>			
	Short term borrowing	5,039.17	5,273.15	3,422.29
	Internal accruals / Equity	1,721.56	878.78	1,836.25
	<b>Total Means of Finance</b>	<b>6,760.73</b>	<b>6,151.93</b>	<b>5,258.54</b>

\*As certified by JMR & Associates LLP, Chartered Accountants through their report dated September 23, 2023

For further details, please refer to chapter titled "**Restated Financial Statement**" beginning on page 184 of this Prospectus.

### Expected working capital requirements

The estimates of the working capital requirements for the Fiscal 2024 have been prepared based on the management estimates of current and future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur.

On the basis of our existing working capital requirements and estimated working capital requirements, our Board pursuant to its resolution dated September 23, 2023 has approved the projected working capital requirements for the Fiscal 2024, with the assumptions and justifications for holding levels, and the proposed funding of such working capital requirements, as set forth below:

(₹ in lakhs)

Sr No	Particulars	As at March 31, 2024 (Projected)
<b>I</b>	<b>Current assets</b>	
	Inventories	7,836.13
	Trade receivables	3,482.72
	Short Term Loans & Advances & Other Current Assets	580.45
	<b>Total Current Assets (A)</b>	<b>11,899.31</b>
<b>II</b>	<b>Current liabilities</b>	
	Trade payables	2,612.04

Sr No	Particulars	As at March 31, 2024 (Projected)
	Other Current Liabilities	580.45
	Short term provisions	116.09
	<b>Total current liabilities (B)</b>	<b>3,308.59</b>
<b>III</b>	<b>Net working capital requirements (A – B)</b>	<b>8,590.72</b>
	<b>Sources of funds</b>	
	Short term borrowing	5000.00
	Internal accruals / Equity	3,323.72
	IPO Proceeds	267.00
	<b>Total means of Finance</b>	<b>8,590.72</b>

The table below sets forth the details of holding levels (in days) for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 as well as the estimated holding levels (in days) for Fiscal 2024:

(in days)

Particulars	Holding Levels (March 31, 2024)	Holding Levels (March 31, 2023)	Holding Levels (March 31, 2022)	Holding Levels (March 31, 2021)
Inventories	135	134	122	140
Trade receivables	60	60	81	57
Short term loan and advances	10	09	12	8
Other Current Assets	0	0	1	0
<b>Total</b>	<b>205</b>	<b>203</b>	<b>216</b>	<b>205</b>
<b>Current Liabilities</b>				
Trade payables	45	48	56	48
Other Current Liabilities	11	12	10	13
Short term provision	2	3	3	2
<b>Total</b>	<b>57</b>	<b>63</b>	<b>68</b>	<b>63</b>
<b>Working Capital Cycle</b>	<b>148</b>	<b>140</b>	<b>148</b>	<b>142</b>

**Notes:**

1. Holding period (in days) is calculated as respective current asset or current liability divided by revenue from operations multiplied by number of days (see note 2 below). Estimated holding days for Fiscal 2023 and 2024 have been rounded to the nearest number.

2. The holding period has been computed over 365 (three hundred sixty-five) days for each fiscal year

**The table below sets forth the key assumptions for our working capital projections:**

Particular	Assumption
<b>Inventory</b>	Our Company had maintained inventory holding period of 140 days in Fiscal 2021, 122 days in Fiscal 2022 and 134 days in Fiscal 2023. The business operations during the said periods were impacted by Covid-19. However, the holding level has reduced gradually on account of rationalization of inventory management. We expect holding level to stay around 135 days for Fiscal 2024.

<b>Trade Receivable</b>	The holding levels of trade receivables were at 57 days in Fiscal 2021, 81 days in Fiscal 2022 and 60 days in Fiscal 2023. As our strategy, our Company has taken steps to improve trade receivable days by rationalizing sales mix. We have been able to reduce trade receivable days from 81 days in Fiscal 2022 to 60 days in Fiscal 2023. However, we consider that we would be able to maintain the trade receivables around 60 days in the Fiscal 2024.
<b>Trade Payable</b>	Our Company had maintained trade payables at 48 days in Fiscal 2021, 56 days in Fiscal 2022 and 48 days in Fiscal 2023. We expect to maintain trade payable days at 45 days for Fiscal 2024.

## 2. General Corporate Purposes

Our Company intends to deploy any balance Net Proceeds towards general corporate purposes, not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilization of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

General corporate purposes may include, but are not restricted to, the following:

- a) strategic initiatives;
- b) funding growth opportunities and capital expenditure;
- c) strengthening marketing capabilities and brand building exercises;
- d) meeting ongoing general corporate contingencies;
- e) meeting fund requirements of our Company, in the ordinary course of its business;
- f) meeting expenses incurred in the ordinary course of business;
- g) conversion of unsecured loan; and
- h) any other purpose, as may be approved by the Board, subject to applicable law.

### Offer Related Expenses

The Estimated Expenses are as follows:

Activity *	Estimated Expenses (₹ in Lakhs)*	As a % of total estimated issue related expenses	As a % of the total issue size
Lead Manager Fees	18.00	6.92%	1.07%
Fees payable to Registrar, Legal and Other Advisory Services, Advertising and marketing Expenses, Printing and Distribution of issue stationery, Brokerage, Selling, Commission and upload fees	20.25	7.79%	1.20%
Regulators including Stock Exchange	8.00	3.08	0.47%
Others, if any (including Underwriting Commission, Market making, advisory fees, depositories, marketing fees etc.)	213.75	82.21%	12.69 %
<b>Total estimated issue related expenses</b>	<b>260.00</b>	<b>100.00</b>	<b>15.44 %</b>

\*excluding GST

#### Notes:

1. As on date of this Prospectus, the fund deployed out of internal accruals as on September 23, 2023 is ₹ 8.05 Lakhs (excluding taxes) towards issue expenses vide certificate dated September 23, 2023 received from JMR & Associates LLP, Chartered Accountants and the same will be recouped out of issue expenses.
  - Selling commission payable to the SCSBs on the portion for Retail Individual Investors. Non-Institutional Investors, which are directly procured by the SCSBs, would be as follows

Portion for Retail Individual Applicants*	₹0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹0.10% of the Amount Allotted* (plus applicable taxes)

\* Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of NSE.

- No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Applicants	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Applicants	₹10 per valid application (plus applicable taxes)

- The processing fees for applications made by Retail Individual Applicants using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	₹10 per valid application (plus applicable taxes)
Sponsor Bank-ICICI Bank	₹8 per valid application* (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable law

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIIs (up to ₹200,000), Non-Institutional Applicants (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds Rs 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

- Selling commission on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Applicants*	₹0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹0.10% of the Amount Allotted* (plus applicable taxes)

\* Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Applicants which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs Bidding charges payable to the Registered Brokers, CRTAs/ CDPs

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Applicants which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Applicants*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹10 per valid application (plus applicable taxes)

\*Based on valid applications

*Notwithstanding anything contained above the total uploading/ bidding charges/ Selling commission payable to the SCSBs payable/ Processing fees payable to the SCSBs under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds Rs 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.*

*The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Noninstitutional Applicants which are procured by them and submitted to SCSB for blocking, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.*

*The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of NSE.*

*All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Applicants using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021*

#### **Interim use of Net Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

#### **Bridge Financing Facilities**

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from / with any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

#### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured loans.

#### **Appraisal Report**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency in terms of applicable law.

#### **Monitoring Utilization of Funds**

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the Statutory Auditors of our Company. Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before the Audit Committee.

**Variation in Objects**

Our Company shall not vary the objects of the Issue, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act.

**Other confirmations**

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel or Senior Management. No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel or Senior Management. Our Company has not entered into and is not planning to enter into any arrangement/agreements with our Promoters, Directors, Key Managerial Personnel or our Group Companies in relation to the utilization of the Net Proceeds.

## BASIS FOR OFFER PRICE

The Issue Price of ₹58/- per equity share (including premium of ₹48/- per equity share) per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹10/- per Equity Share. The Issue Price is 5.8 times the face value.

Investors should refer chapters titled “*Risk Factors*”, “*Business Overview*”, “*Restated Financial Statements*” and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 23, 131, 184 and 214 respectively of this Prospectus to get an informed view before making an investment decision. The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price, are:

1. In-house manufacturing facilities and Machining Centre
2. Wide product range and customized product offering
3. Vast Experience of Promoters
4. Customer Diversification
5. Effective quality control checks

For further details, refer heading “*Our Competitive Strengths*” under chapter titled “*Business Overview*” beginning on page 131 of this Prospectus.

### Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements for Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021. Some of the quantitative factors which form the basis or computing the price, are as follows:

#### 1. Basic and Diluted Earnings per Share (EPS)

Year	Basic EPS and Diluted EPS	Weights
March 31, 2021	3.38	1
March 31, 2022	4.63	2
March 31, 2023	5.18	3
<b>Weighted Average</b>	<b>4.69</b>	<b>6</b>

#### Note.

- The face value of each Equity Share is ₹ 10.
- Basic and diluted Earnings per share calculations are in accordance with Indian GAAP and Accounting Standard as applicable and based on the Restated Financial Statement of our Company.
- Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no. of equity shares outstanding during the year /period as per Restated Financial Statement
- Weighted Average EPS = Aggregate of Year wise weighted EPS divided by the Aggregate weights i.e. [(EPS \*Weights) for each year / Total Weights]
- The figures disclosed above are based on the Restated Financial Statements
- The above statement should be read with significant accounting policies and notes on Restated Financial Statement as appearing in the Restated Financial Statements.

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price ₹ 58/- per equity share (including premium of ₹ 48/- per equity share) of ₹10/- each fully paid up

Particulars	P/E ratio
P/E ratio based on Basic & Diluted EPS for the financial year ended March 31, 2023 (Basic and Diluted)	11.20
P/E ratio based on Basic & Diluted EPS for the financial year ended March 31, 2023 (Weightage Average EPS)	12.36

### 3. Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per restated financial statements (Standalone)

Year Ended	RONW (%)	Weight
March 31, 2021	7.74%	1
March 31, 2022	9.57%	2
March 31, 2023	9.68	3
<b>Weighted Average</b>	<b>9.32%</b>	<b>6</b>

*Note: Return on Net worth has been calculated as per the following formula:*

- 1) *Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year/period end.*
- 2) *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
- 3) *Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Financial Information.*

### 4. Net Asset Value (NAV)

Particulars	(₹ Per Share)
Net Asset Value per Equity Share as on March 31, 2022	48.33
Net Asset Value per Equity Shares as on March 31, 2023	53.50
Net Asset Value per Equity Share after IPO	53.91
Issue Price per equity share	₹58/- per equity share (including premium of ₹48/- per equity share)

*Net Asset Value per Equity Share has been calculated as net worth, as restated, as at year ended March 31, 2022 / Number of outstanding equity shares as at year ended March 31, 2023.*

*Note: The figures disclosed above are based on the Restated Financial Statement of our Company*

### 5. Comparison with industry peers

**Based on the peer group information (excluding our Company) given below in this section:**

Particulars	P/E Ratio
Highest	42.88
Lowest	18.79
Average	27.58

*Notes:*

1. *The industry high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.*
2. *P/E Ratio has been computed based on the closing market price of equity shares on NSE on September 22, 2023, divided by the Basic EPS except for Pritika Engineering Components Limited closing market price of equity shares on NSE on September 21, 2023.*
3. *The industry P / E ratio mentioned above is for the financial year ended Fiscal 2023. All the financial information for listed industry peer mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.*

**6. The Issue price is 5.8 times of the face value of the Equity Shares**

The Issue Price of ₹58/- per equity share (including premium of ₹48/- per equity share) has been determined by the Company in consultation with the lead manager on the basis of an assessment of market demand for the equity shares through the fixed price issue process and on the basis of qualitative and quantitative factors.

Prospective investors should read the above-mentioned information along with “*Risk Factors*”, “*Business Overview*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and “*Restated Financial Statement*” beginning on pages 23, 131, 184 and 214, respectively of this Prospectus, to have a more informed view. The trading price of the equity shares could decline due to the factors mentioned in the “*Risk Factors*” and you may lose all or part of your investments.

**7. Comparison of Accounting Ratios with Listed Industry Peers (as of or for the period ended March 31, 2022, as applicable)**

Name of the Company	Total Income (₹ in lakhs)	Face value per Equity share (₹)	P/E	EPS Basic (₹)	Diluted EPS (₹)	RoNW (%)	NAV (₹ per share)
Sharp Chucks And Machines Limited	17,931.45	10	11.20	5.18	5.18	9.68%	53.50
Listed Peer Company*							
Pritika Engineering Components Limited (Consolidated)	8244.80	10	18.79**	3.78	3.78	11.96%	31.56
Nelcast Limited (Consolidated)	1,28,011.84	2	42.88**	3.42	3.42	6.35%	53.84
Bhagwati Autocast Limited (Standalone)	15,422.09	10	21.07**	26.80	26.80	22.43%	119.50

\*\*P/E Ratio has been computed based on the closing market price of equity shares on NSE on September 22, 2023, divided by the Basic EPS and Diluted EPS except for Pritika Engineering Components Limited closing market price of equity shares on NSE on September 21, 2023

Notes:

1. All the financial information for listed industry peers mentioned above is on an audited consolidated basis and sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.

2. Earnings per share (Basic) = Restated net profit after tax, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year.

3. Earnings per share (Diluted) = Restated profit for the period/year / Weighted average number of diluted potential equity shares outstanding during the period/year.

4. Return on Net worth (%) = Restated net profit after tax / Restated net worth at the end of the period/year

5. Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses,

6. Net Asset Value per Share (in ₹) = Restated net worth at the end of the period/year / Number of equity shares outstanding at the end of the period/year.

## 8. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated September 23, 2023. Further, the Audit Committee has on September 23, 2023 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding this Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated September 23, 2023 issued by M/s. JMR & Associates LLP, Peer Review Auditors, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated September 23, 2023 issued by JMR & Associates LLP, has been included in 'Material Contracts and Documents for Inspection – Material Documents to the Issue 297 of the Prospectus.

The KPIs of our Company have been disclosed in the chapters titled “Business Overview” and “Management's Discussion and Analysis of Financial Condition and Results of Operations - Key Performance Indicators” on pages 131 and 214, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations.” on page 2 of this Prospectus.

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.

### Key Performance Indicators of our Company.

A list of our KPIs for the Fiscal 2023, Fiscals 2022 and Fiscal 2021 is set out below:

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

**10. 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. Except 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. Equity Shares	Face value per Equity share	Transaction price per Equity shares ₹	Nature of Transaction	Nature of Consideration	Total Consideration (₹ in lakhs)
November 24, 2022	Rajeev Gupta	Ajay Sikka	13000	10	10	Transfer	Cash	1.30
November 29, 2022	Abhishek Jain		58000	10	4	Transfer	Cash	2.32
December 6, 2022	Ravinder Kumar Jhalli		28000	10	10	Transfer	Cash	2.80
December 2, 2022	Ashok Sikka		642892	10	2	Transfer	Cash	12.86
December 16, 2022	Dinesh Sikka		29926	10	2	Transfer	Cash	0.60
January 13, 2023	Anil Kumar Virmani		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
<b>Total</b>			<b>9,00,270</b>					<b>32.72</b>
<b>Weighted average cost of acquisition (secondary transactions) per Equity Shares ₹</b>								<b>3.63</b>

- 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 (₹ 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.	₹ 3.63	₹ 58

\*As certified by JMR & Associates LLP., Chartered Accountants, by their certificate dated September 23, 2023.

**Detailed explanation for Issue Price being 15.98 times of WACA of primary issuance price/secondary transaction price of Equity Shares along with our Company's KPIs and financial ratios for the Financial year 2023, Financial year 2022 and Financial year 2021 and in view of the external factors which may have influenced the pricing of the issue, if any**

For details of our Company's key performance indicators and financial ratios, please refer to chapters entitled "Basis of Issue Price" and "Business Overview" on pages 102 and 131 respectively. The Issue Price of ₹58/- per equity share (including premium of ₹48/- per equity share) has been determined by our Company, in consultation with the Lead Manager. The trading price of the Equity Shares could decline due to the factors mentioned in the chapter entitled "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

Our Company in consultation with the Lead Manager, is justified of the Issue Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with the chapters entitled “**Risk Factors**”, “**Business Overview**” and “**Restated Financial Statement**” on pages 23, 131 and 184, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the chapter entitled “**Risk Factors**” or any other factors that may arise in the future and you may lose all or part of your investments.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the LM and will be justified by us in consultation with the LM on the basis of the above information. Investors should read the above-mentioned information along with “**Business Overview**”, “**Risk Factors**” and “**Restated Financial Statements**” on pages 131, 23 and 184 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” or any other factors that may arise in the future and you may lose all or part of your investments.

### Comparison of financial KPIs of our Company and our listed peers\*

While our peers listed in India (mentioned below), like us, operate in the same industry and may have similar offerings, our business may be different in terms of differing business models, different verticals serviced or focus areas or different geographical presence or serving certain segments or sub-segments of our customer base

Particulars	Pritika Engineering Components Limited*			Nelcast Limited*			Bhagwati Autocast Limited*		
	March 2023	March 2022	March 2021	March 2023	March 2022	March 2021	March 2023	March 2022	March 2021
Revenue from operations (₹ in Lakhs) <sup>(1)</sup>	8232.20	5,360.75	3,207.16	126,397.42	92,734.07	61,497.17	15,435.07	11,217.19	10,438.00
Growth in Revenue from Operations (%) <sup>(2)</sup>	53.57%	67.15%	47.94%	36.30%	50.79%	8.91%	37.60%	7.46%	3.86%
EBITDA (₹ in Lakhs) <sup>(3)</sup>	1101.49	675.02	335.73	8994.0	6291.3	4963.8	1785.1	116.1	577.8
EBITDA Margin (%) <sup>(4)</sup>	13.38	12.59	10.47	7.12	6.78	8.07	11.57	1.03	5.54
Restated Profit After Tax for the Year (₹ in Lakhs)	327.65	546.17	38.18	2,973.54	1,422.47	904.18	772.09	-95.74	184.34
PAT Margin% <sup>(5)</sup>	3.98	10.19	1.19	2.35	1.53	1.47	5.00	-0.85	1.77
Net Worth <sup>(6)</sup>	2,738.40	1,652.62	1,262.13	44,167.87	44,167.87	43,009.48	3,442.28	2,700.59	2,826.89
Capital Employed	6,033.53	3,849.33	3,336.95	74,535.62	72,121.41	64,479.40	4,522.28	4,540.64	3,313.81
RoE (%) <sup>(7)</sup>	11.97%	33.05%	3.03%	6.73%	3.22%	2.10%	22.43%	-3.55%	6.52%
RoCE (%) <sup>(8)</sup>	12.65%	20.95%	7.45%	9.59%	6.22%	4.58%	26.58%	-1.62%	8.54%

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 & amortisation + 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 is aggregate value of the paid-up equity share capital of the Company and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding revaluation reserves if any, as per Restated Financial Information.*

(7) *Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company divided by Net worth attributable to the owners of the company.*

(8) *Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.*

*-Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.*

*-Capital Employed is calculated as total equity plus total borrowings*

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**STATEMENT OF TAX BENEFITS**

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## STATEMENT OF TAX BENEFITS

To,

**The Board of Directors**

**SHARP CHUCKS AND MACHINES LIMITED**

A-12, Industrial Development Colony,  
Jalandhar,  
Punjab - 144001  
India.

**Subject: Statement of possible special tax benefits available to Sharp Chucks and Machines Limited ("the Company") and shareholders of the Company under the Direct and Indirect Tax Laws in India.**

We, JMR & Associates LLP, Chartered Accountants, the statutory auditors of Sharp Chucks and Machines Limited, hereby report that the accompanying Statement states the possible special tax benefits available to the Company and its shareholders of the Company (hereinafter referred to as "**the Statement**") under the Income Tax Act, 1961 [read with Income Tax Rules, 1962, circulars, notifications issued by the Central Board of Direct Taxes ("CBDT")] as amended by the Finance Act, 2023 presently in force in India (together referred to as the "**Direct Tax Laws**") and the Integrated Goods and Service Tax Act, 2017, the Central Goods and Service Tax Act, 2017, respective State Goods and Service Tax Act, 2017, the Union Territory Goods and Service Tax Act, 2017, (collectively known as "GST Act") & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as, the "**Indirect Tax Laws**").

### **Auditor's Responsibility**

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ("SEBI ICDR Regulations") in connection with the Issue.

We do not express any opinion or provide any assurance as to whether:

- a. the Company or its shareholders will continue to obtain these possible special tax benefits in future: or
- b. the conditions prescribed for availing the possible special tax benefits, where applicable, have been / would be met with; and
- c. the revenue authorities / courts will concur with the views expressed herein.

The statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Initial Public Offer ("Issue") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest money based on this statement.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)" ("Guidance Note") issued by the Institute of Chartered Accountants of India the Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

#### **Inherent Limitations**

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

#### **Restriction of use**

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the SEBI ICDR for inclusion in the Draft Prospectus ("DP") / Prospectus in connection with the proposed Issue and is not to be used, referred to or distributed for any other purpose without our written consent.

We hereby give consent to include this report and the enclosed Annexure in the DP / Prospectus, prepared in connection with the Issue to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.



# JMR & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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For **JMR & Associates LLP**  
Chartered Accountants  
(FRN No. 06912W/W100300)

CA Nikesh Jain  
Partner  
Membership No.114003  
UDIN: 23114003BGSCNV5096  
Place: Mumbai  
Date: September 23,2023



## ANNEXURE 1:

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

Outlined below are the possible special tax benefits available to **Sharp Chucks and Machines Limited** under the Income Tax Act, 1961 ("the Act") as amended by the Finance Act, 2023 presently in force in India.

#### **A. Special Direct Tax Benefits available to the Company:**

The company follows old tax regime to pay income tax in respect of its total income at a tax rate of 27.82% (basic tax rate including applicable surcharge and health & education cess) subject to satisfaction of certain conditions one of which is if Total Turnover or Gross Receipts during the previous years does not exceed ₹ 400 crores the applicable Income Tax Rate shall be 25%.

In such a case, the Company will be allowed to claim any of the following deductions / exemptions under the Act:

1. Deduction under the provisions of section 10AA of the Act (deduction for units in Special Economic Zone)
2. Deduction under section 32(1)(iia) of the Act (Additional depreciation)
3. Deduction under section 32AD / section 33AB / section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund)
4. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or subsection (2AB) of section 35 of the Act (Expenditure on scientific research)
5. Deduction under section 35AD / 35CCC of the Act (Deduction for specified business, agricultural extension project)
6. Deduction under section 35CCD of the Act (Expenditure on skill development)
7. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA of the Act or Section 80M of the Act.
8. Deduction under Section 80LA of the Act other than deduction applicable to a Unit in the IFSC, as referred to in section 80LA(1A) of the Act.
9. Set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred from points (1) to (8) above.

As per Section 115JB, every taxpayer being a company is liable to pay MAT, if the Income-tax (including surcharge and cess) payable on the total income, computed as per the provisions of the Income-tax Act in respect of any year is less than 18.50% of its book-profit including surcharge (SC) and health & education cess. Additionally, Company shall be entitled to claim tax credit relating to MAT.



**B. Special Indirect Tax Benefits available to the Company:**

**Export of goods under the Goods and Services Tax ('GST') law**

GST law inter-alia allows export of goods at zero rate on fulfilment of certain conditions. Exporters can either export goods without payment of IGST under Bond/ Letter of Undertaking (LUT) and claim refund of accumulated Input tax credit ('ITC') or export goods with payment of IGST and subsequently claim refund thereof of the IGST paid as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Going forward, with effect from a date to be noted the refund of tax paid on export of goods/ services would be available only to notified taxpayers. However, refund of tax paid on inputs and input services used in export would continue to be available as before.

Notes:

- i. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Direct & Indirect Tax Regulations. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.*
- ii. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.*
- iii. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.*
- iv. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:*
  - The Company will continue to obtain these benefits in future;*
  - The conditions prescribed for availing the benefits have been/ would be met with; and*
  - The revenue authorities / courts will concur with the view expressed herein.*
- v. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time and that department may take a view contrary to that indicated above.*



**ANNEXURE 2:**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

**A. Special Direct Tax Benefits available to the Shareholders of the Company:**

**1. Taxability of dividend income:**

- 1.1 Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. The maximum surcharge applicable to shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person would be 15% (plus applicable surcharge and education cess), irrespective of the amount of dividend.
- 1.2 Further, the shareholders would be entitled to take credit of the Tax Deducted at Source by the Company against the taxes payable by them on dividend income.
- 1.3 In case of domestic corporate shareholders, deduction under Section 80M of the Act, would be available to the extent of dividend distributed to its shareholders, on fulfilling certain conditions.
- 1.4 In case of non-resident shareholders, as per Section 115A of the Act, tax on dividend income earned by a non-resident or a foreign company shall be taxable at rate of 20% on gross basis.

**2. Taxability of Capital Gains:**

- 2.1 Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding.
- 2.2 Long Term Capital Gains means capital gains arising on transfer of equity shares listed on a recognized stock exchange in India, held for more than 12 months, immediately preceding the date of transfer.
- 2.3 Short Term Capital Gains means capital gains arising from the transfer of equity shares listed on a recognized stock exchange in India held for 12 months or less, immediately preceding the date of transfer.
- 2.4 As per Section 111A of the Act, short term capital gains arising to the resident shareholder from the sale of equity share or a unit of an equity-oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax ("STT"), will be taxable at the rate of 15% (plus applicable surcharge and education cess). Other short term capital gains shall be taxable as per normal tax rates applicable to the assessee.
- 2.5 As per Section 112A of the Act, the long-term capital gains arising from sale of listed equity share, or a unit of an equity-oriented fund or a unit of a business trust (where STT is paid) exceeding INR 1,00,000 shall be chargeable to tax at the rate of 10% (plus applicable



surcharge and education cess).

**B. Special Indirect Tax Benefits available to the Shareholders of the Company:**

No special tax benefits are available to the Shareholders of the Company under the Indirect Tax Regulations.

*Notes:*

- i. These special tax benefits are dependent on the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Direct & Indirect Tax Regulations. Hence, the ability of the shareholders of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.*
- ii. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.*
- iii. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.*
- iv. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:*
  - The shareholders of the Company will continue to obtain these benefits in future;*
  - The conditions prescribed for availing the benefits have been/ would be met with; and*
  - The revenue authorities / courts will concur with the view expressed herein.*
- v. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time and that department may take a view contrary to that indicated above.*
- vi. For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the Indirect Tax regulations.*

## INDUSTRY OVERVIEW

*Industry publications are prepared based on information as at specific dates and may no longer be current or reflect current trends. The information in this section is also derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the Lead Manager, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation.*

*Accordingly, investment decisions should not be based on such information. For additional details, including the disclaimers associated with the Industry Report, see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation - Industry and Market Data” beginning on page 15 of this Prospectus.*

### WORLD ECONOMIC OUTLOOK

The baseline forecast is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent. Global headline inflation in the baseline is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation’s return to target is unlikely before 2025 in most cases.

The January 2023 World Economic Outlook update projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook but below the historical average of 3.8 percent. Rising interest rates and the war in Ukraine continue to weigh on economic activity. China’s recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

(Source: <https://www.imf.org>)

### OVERVIEW OF AUTO COMPONENTS INDUSTRY IN INDIA

India has become the fastest-growing economy in the world in recent years. This fast growth, coupled with rising incomes, a boost in infrastructure spending and increased manufacturing incentives, has accelerated the automobile industry. The two-wheeler segment dominated the automobile industry because of the Indian middle class, with automobile sales standing at 19.45 million units in FY23.

Significant demand for automobiles also led to the emergence of more original equipment and auto components manufacturers. As a result, India developed expertise in automobiles and auto components, which helped boost international demand for Indian automobiles and auto components. Hence, the Indian automobile industry has a considerable impact on the auto component industry.

India’s auto component industry is an important sector driving macroeconomic growth and employment. The industry comprises players of all sizes, from large corporations to micro entities, spread across clusters throughout the country. The auto components industry accounted for 2.3% of India’s GDP and provided direct employment to 1.5 million people. By 2026, the automobile component sector will contribute 5-7% of India’s GDP. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026.

The industry is a leader in exports and provides jobs to over 3.7 crore people. From FY16-FY22, the industry registered a CAGR of 6.35% and was valued at US\$ 56.50 billion in FY22. The auto component industry exported US\$ 19 billion and imported US\$ 18.3 billion worth of components in 2021-22, resulting in the highest export surplus of US\$ 700 million. The component sales to OEMs in the domestic market grew by 46% to US\$ 27.27 billion (Rs. 2.23 lakh crore).

Due to the high development prospects in all vehicle industry segments, the auto component sector is expected to see double-digit growth in FY22. The industry is expected to stand at US\$ 200 billion by FY26.

## MARKET SIZE

India's auto components industry's market share has significantly expanded, led by increasing demand for automobiles by the growing middle class and exports globally. Due to the remarkable growth in demand for Indian auto components, several Indian and international players have entered the industry. India's auto component industry is broadly classified into organised and unorganised sectors. While the unorganised sector consists of low-valued items and mostly serves the aftermarket category, the organised sector serves OEMs and includes high-value precision instruments.

The turnover of the automotive component industry grew 34.8% to Rs. 2.65 lakh crore (US\$ 33.8 billion) during April-September 2022 compared to the first half of the previous year. Moreover, the auto component exports increased by 8.6% in H123 to US\$ 10.1 billion (Rs. 79,033 crore) from US\$ 9.3 billion (Rs. 68,746 crore) in H1 2021-22.

As per the Automobile Component Manufacturers Association (ACMA) forecast, auto component exports from India is expected to reach US\$ 30 billion by 2026. The auto component industry is projected to record US\$ 200 billion in revenue by 2026. Strong international demand and resurgence in the local original equipment and aftermarket segments are predicted to help the auto component industry grow 20-23% in FY22.



## INVESTMENTS

The Indian automobile sector recorded an inflow of huge investments from domestic and foreign manufacturers. FDI inflow in the sector stood at US\$ 34.11 billion between April 2000-December 2022 which is around 5.45% of the total FDI inflows in India during the same period. Some of the recent investments made/planned for the auto component sector are as follows:

- By 2030, Chinese EV manufacturer BYD hopes to control 40% of the Indian EV market. It already has a manufacturing setup in India, and the current plant's capacity may be increased by another 10,000–15000 units.
- In 2022-23, Tamil Nadu attracted investment proposals worth US\$ 2.20 billion (Rs. 18,063 crore) Tamil Nadu is capitalizing on its previous automotive expertise to enter the EV industry.
- In February 2023, Bridgestone India, a global leader in tyres and sustainable mobility solutions, announced that it would be investing over US\$ 73.39 million (Rs. 600 crore) to meet the increasing demand for quality passenger tyres in the country.
- In January 2023, NXP Semiconductors inaugurated a new state-of-the-art Systems & Silicon Innovation lab at NXP Semiconductors Campus in Manyata Tech Park, Bengaluru.
- In November 2022, Continental Tires, a leading premium tyre manufacturer inaugurates Its First Commercial Vehicle Alignment Center in Jaipur.

- In November 2022, auto components maker Sona BLW precision forgings ltd. announced its plans to increase capex by Rs. 1,000 crores (US\$ 123.28 million) for its electric vehicles business.
- In March 2022, Minister of State for Power and Heavy Industries Mr. Krishan Pal Gurjar, said that Indian and foreign automobile manufacturers have taken initiatives to develop hydrogen fuel cell vehicles.
- In June 2022, German auto component major ZF inaugurated and expanded its new tech centre in India.
- In January 2022, e-bike maker Emotorad announced plans to raise US\$ 25 million to expand in the US markets.
- In December 2021, Exponent Energy, an Electric Vehicle (EV) start-up, secured a pre-series funding of US\$ 5 million.
- In December 2021, India's leading automobile platform CarTrade Tech invested US\$ 100 million for a new acquisition and to accelerate growth.
- In October 2021, Wheels India announced it would invest an additional Rs. 37 crore (US\$ 4.95 million) this year to support global service demand.
- In October 2021, Lucas TVS announced a 20% capacity expansion of its auto and non-auto businesses by the end of 2021.
- In October 2021, Hero Motor formed a joint venture with Japanese two-wheeler major Yamaha to manufacture electric motors for e-bicycles for the global market.
- In October 2021, the Maharashtra government signed an MoU with Causis E-Mobility Pvt. Ltd., a joint venture of UK-based Causis Group, to set up a zero-emission EV manufacturing facility at Talegaon, near Pune, with an investment of Rs. 2,800 crore (US\$ 317.96 million).
- In October 2021, Sona BLW Precision Forgings Limited, through its wholly owned subsidiary Sona Comstar eDrive Private Limited (Sona Comstar), entered a collaboration agreement with Israel's IRP Nexus Group Ltd. to develop, manufacture and supply magnetless drive motors and matching controller systems for electric two- and three-wheelers.
- In October 2021, auto component manufacturer MM Forgings Ltd. (MMF) acquired CAFOMA Autoparts for Rs. 33 crore (US\$ 4.38 million).
- In October 2021, TVS Motor Company, collaborated with Tata Power, to boost the comprehensive implementation of Electric Vehicle Charging Infrastructure (EVCI) across India and deploy solar-powered technologies at various TVS Motor locations.
- At the Investment Conclave - 2021 in Chennai, the Tamil Nadu government stated that it received investment commitments totalling Rs. 28,508 crore (US\$ 3.85 billion) from 49 companies. Electronics, automotive components, industrial parks, information technology and manufacturing are some of the sectors where these investments are expected to generate about 83,482 jobs in the state.
- The Indian government has outlined US\$ 7.8 billion for the automobile and auto component sector in Production-Linked Incentive (PLI) schemes under the Department of Heavy Industries.
- In May 2021, the Government of India approved a PLI scheme for manufacturing advanced chemistry cell batteries at an estimated outlay of Rs. 18,100 crore (US\$ 247.3 million).
- In March 2021, the government announced plans to offer fresh incentives to companies manufacturing EVs as part of a broad auto sector scheme. The scheme is expected to attract US\$ 14 billion of investment in the next five years.

- In February 2021, Vedanta Resources launched its newest product - aluminium cylinder head alloy a crucial raw material for manufacturing cylinder heads and other automotive components.
- A cumulative investment of around Rs. 12.5 trillion (US\$ 180 billion) in vehicle production and charging infrastructure would be required until 2030 to achieve India's EV ambitions. This is likely to boost demand for auto components from local manufacturers.
- In January 2021, Suzuki Motor Corp. and Hyundai Motor Co. announced plans to explore ways to make India a key global hub for sourcing components and enable a sharp rise in vehicle exports from the country.
- In January 2021, French battery system supplier Forsee Power pledged to invest Rs. 82 crore (US\$ 11.18 million) in phase 1 of the India project.

## GOVERNMENT INITIATIVES

The Government has reaffirmed its commitment towards EVs and its mission for 30% electric mobility by 2030. Budget announced customs duty exemption on the import of capital goods and machinery required for the manufacture of lithium-ion batteries that typically power EVs. The Government of India's Automotive Mission Plan (AMP) 2006-26 has been instrumental in ensuring growth for the sector. The Indian automobile industry is expected to achieve a turnover of US\$ 300 billion by 2026 by expanding at a CAGR of 15% from its current revenue of US\$ 74 billion.

In November 2020, the Union Cabinet approved a PLI scheme in automobile and auto components with an approved financial outlay over a five-year period of Rs. 57,042 crore (US\$ 8.1 billion). In September 2021, the Indian government issued notification regarding a PLI scheme for automobile and auto components worth Rs. 25,938 crore (US\$ 3.49 billion). In February 2022, the government received an investment proposal worth Rs. 45,016 crore (US\$ 6.04 billion) from 20 automotive companies under the PLI Auto scheme. This scheme is expected to create an incremental output of Rs. 2,31,500 crore (US\$ 31.08 billion).

The government's AMP 2016-26 will help the automotive industry grow and will benefit the economy in the following ways:

- The auto industry's GDP contribution will rise to over 12%.
- Additional ~65 million direct and indirect jobs will be created.
- End-of-life policy will be implemented for old vehicles.

## ROAD AHEAD

The rapidly globalizing world is creating newer opportunities for the transportation industry, especially while shifting towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto component manufacturers. To help them adjust to the shifting dynamics of the sector, the Indian government has already offered various production incentives. India is also investing heavily in electric car infrastructure.

In December 2020, Power PSU JV EESL announced a plan to install about 500 EV charging stations in the country. The number of charging stations stood at 1,800 in March 2021 and is expected to reach 4 lakh by 2026. This would make it easier for the auto component industry to take advantage of the EV opportunity and expertise in EV components manufacturing, thus helping India on a global scale. This, coupled with the shift in global supply chains, will help the Indian global automotive component trade to expand 4-5% to US\$ 80 billion by 2026. Moreover, the Indian auto component industry is predicted to become the third largest in the world.

(Source: <https://www.ibef.org/industry/autocomponents-india>)

## ADVANTAGES

### 1. Robust Demand

- Growing working population and expanding middle class are expected to remain the key demand drivers. India is the fifth-largest automobile market globally.
- By 2025, 4 million of EVs could be sold each year and 10 million by 2030. The market is expected to reach US\$ 206 billion by 2030.
- The Indian auto component industry is set to become the 3rd largest globally by 2025.

### 2. Competitive advantage

- A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America.
- Presence of a large pool of skilled & semi-skilled workforce amidst a
- strong educational system.
- Second-largest steel producer globally, hence a cost advantage.

### 3. Policy Support

- 100% FDI allowed under automatic route for auto components sector.
- Production Linked Incentive (PLI) schemes on automobile and auto components are expected to bring a capex of Rs. 74,850 crore (US\$ 9.58 billion) in the next five years.

### 4. Export Opportunities

- A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America.
- India is the 2nd largest steel producer globally, thus has a cost advantage.
- India is emerging as a global auto component sourcing hub due to its proximity to key automotive markets such as ASEAN, Europe, Japan and Korea.

## EVOLUTION OF THE CHAPTER

### BEFORE 1982

- Closed market
- 5 players
- Long waiting periods & outdated models
- Seller's market

### 1983-1992

- Indian Government & Suzuki formed Maruti Udyog and commenced production in 1983.
- Component manufacturers entered the market via a joint venture (JV).
- Buyer's market.

### 1992-2020

- Sector de-licensed in 1993.
- Major OEMs started assembly operations in India.
- Imports permitted from April 2001.
- Introduction of value-added tax in 2005.
- Automotive Mission Plan 2016- 26 launched in 2015.
- Bharat Stage (BS) IV emission norms used since April 2017, and BSVI norms adopted from April 1, 2020.

### 2020 ONWARDS

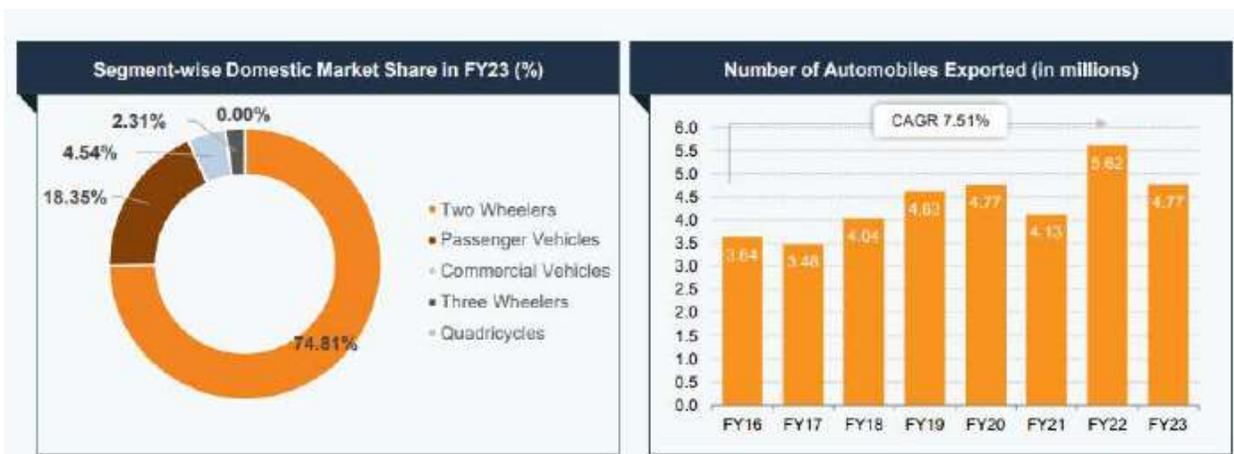
- In March 2023, three-wheeler sales stood at 54,360 units.

- In FY23, total commercial vehicle sales stood at 9,62,468 units, three-wheeler sales stood at 4,88,768 units and two-wheeler sales stood at 1,58,62,087 units

## MARKET OVERVIEW



- The automotive manufacturing industry comprises the production of commercial vehicles, passenger vehicles, three-wheelers, and two-wheelers.
- In the last quarter of FY23\*, total production of passenger vehicles\*, commercial vehicles, three wheelers, two wheelers, and quadricycles was 20,04,592 units.
- India accomplished a significant milestone, with the sale of 1 million EVs in FY22.
- The Indian auto industry is expected to record strong growth in FY23, post recovering from the effects of the COVID-19 pandemic. Electric vehicles, especially two-wheelers, are likely to witness positive sales in FY23.
- A report by India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, a projection for the EV battery market is forecast to expand at a CAGR of 30% during the same period.



- Two-wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two-wheelers and passenger cars accounted for 74.81% and 18.35% of market shares, respectively, in FY23.
- Indian automobile exports of two-wheelers stood at 36,52,122 in FY23.

## KEY PLAYERS;

### 1. PASSENGER VEHICLES

- In FY23, total passenger vehicle sales reached 3.89 million.
- In March 2022, Maruti Suzuki was the top passenger vehicle seller with 1,37,201 passenger vehicle units sold.

### 2. COMMERCIAL VEHICLES

- In FY23, commercial vehicles domestic sales stood at 9,62,468 units.
- In March 2023, Tata Motors sold 36,152 commercial vehicles, the highest in the segment.

### 3. TWO-WHEELERS

- In March 2023, Hero MotoCorp sold 4,66,963 two-wheelers, the highest in the segment, which gave it a market share of 32.3%.

### 4. THREE-WHEELERS

- In March 2023, Bajaj Auto was the leader in the three-wheeler category with a 34.8% market share, having sold 30,254 units in the month.

## GROWTH DRIVERS;

### 1. POLICY SUPPORT

- Initiatives like Make in India, the Automotive Mission Plan 2026, and NEMMP 2020 will give a huge boost to the sector.
- The government introduced a battery swapping policy, which will allow drained batteries to be swapped with charged ones at designated charging stations, thus making EVs more viable for potential customers.
- To install electric vehicle supply equipment (EVSE) infrastructure for EVs, various public sector firms, ministries, and railways have come together to create infrastructure, and manufacture components.

## 2. GROWING DEMAND

- Rising income and a growing young population.
- Greater availability of credit and financing options.
- Demand for commercial vehicles increasing due to the high level of activity in the infrastructure sector.

## 3. SUPPORT INFRASTRUCTURE AND HIGH INVESTMENT

- In November 2022, Mahindra & Mahindra announced that they had tied up with three electric vehicle infrastructure partners - JioBP, Statiq, and Charge+Zone - to offer charging solutions for their range of passenger electric vehicles.
- In July 2021, India inaugurated the national automotive test tracks (NATRAX), which is Asia's longest high-speed track to facilitate automotive testing.
- From April 2000-December 2022, the automobile sector received around 5.45% (US\$ 34.11 billion) of the total equity FDI inflows to India.
- As of July 15, 2022, under the FAME India Scheme I & II, a total of 532 EV charging stations have been installed by oil companies under the Ministry of Petroleum and Natural Gas (MoPNG).
- In September 2021, eBikeGo announced that they would install 1 lakh IoT-enabled charging stations in India. According to the company, the charging station named 'eBikeGo Charge' will be providing the most economical IoT-enabled smart charging solution.

## OVERVIEW OF MACHINE TOOL INDUSTRY

### Machine Tools

The Machine Tool industry is considered as the mother industry as it supplies machinery for the entire manufacturing sector. The manufacturers of machine tools are mostly SMEs, few of them are mid-sized manufacturers which have an annual turnover varying between ` 300-500 crore. The types of machine tools currently manufactured are general/special purpose machines, standard Computer Numerical Control (CNC) machines, gear cutting, grinding, medium size machines, electrical discharge machining (EDM), presses, press brakes, pipe bending, rolling, bending machines, etc.

### Dies, Moulds and Press tools

The Indian tool room industry consists of commercial tool makers engaged in design, development, and manufacturing of tooling in the country. In addition to commercial tool makers, several Government tool rooms-cum-training centers are also operating. The key tool room locations are Mumbai, Bengaluru, Chennai, Pune, Hyderabad, and Delhi NCR.

### Plastic Processing Machinery

The plastic machines being manufactured are injection moulding machines, blow moulding machines and extrusion moulding machines, etc. Product technologies are at par with the leading brands of the developed world. The global leading manufacturers/ technologies have manufacturing presence in India through their wholly owned subsidiaries or through technology license arrangements.

### Earthmoving, Construction and Mining Machinery

The Indian Earthmoving, Construction and Mining Machinery produces backhoe loaders, compactors, mobile cranes, pavers, batching plants, crawler crane, transit mixer, concrete pump, tower cranes, hydraulic excavators, dumpers, mining shovel, walking draglines, dozers, wheel loaders, graders, drilling equipment, tunneling machine, etc.

### Textile Machinery

A majority of the units engaged in the manufacture of textile machinery in the country are small and medium manufacturers. Major textile machineries include weaving machines, spinning machines, winding machines, processing machines, synthetic fiber machines etc.

## Printing Machinery

A majority of the units engaged in the manufacturer of printing machinery are small and medium manufacturers. Major printing machines manufactured locally are web offset printing machines, UV coating curing machine, flexographic printing machine, screen printing machines, wire stitching machine, lamination machine, etc.

## Food Processing Machinery

A majority of the units engaged in the manufacture of food processing machinery are small and medium manufacturers. Major food processing machinery manufactured in India are peelers, sorters, graders, pulpers, grinders, mixers, cookers, fryers, dryers, pulverizers, soya milk machines, food grain and coffee millers, bakery machinery, forming-filling- sealing machine, milking and dairy machines, juicing line, etc.

## PRODUCTION, IMPORT AND EXPORT STATISTICS

The production, import and export data for the sub-sectors is detailed as under:

### a) Production data

(₹ in crore)

Sr. No.	Sub sector	2016-17	2017-18	2018-19	2019-20	2020-21	CAGR (5 Year) (Base Year 2015-16)
1.	Machine Tools	5803	7294	9612	6152	6602	6.91%
2.	Dies, Moulds and Press Tools	14750	16068	13600	13682	12294	-3.90%
3.	Textile Machinery	6650	6900	6865	5355	5093	-4.99%
4.	Printing Machinery	13986	12968	12390	12678	10058	-6.85%
5.	Earthmoving and Mining Machinery	25000	31800	38900	31020	29021	9.42%
6.	Plastic Processing Machinery	3000	3375	3100	2350	3710	6.56%
7.	Food Processing Machinery	15246	15600	8750	NA	NA	-
8.	Process Plant Equipment	19500	18400	27400	29250	NA	-
9.	Heavy Electrical Equipment Sector	159221	175525	190132	180368	168949	3.12%

\*NA= data not available / not received from Capital Goods Industry Associations

Source: (Industry Associations namely IEEMA, IMTMA, TAGMA, AFTPAI, PMMAI, PPMMAI, TMMA & IPAMA)

**b) Import data**

(₹ in crore)

Sr. No.	Sub sector	2016-17	2017-18	2018-19	2019-20	2020-21	CAGR (4 Year) (Base Year 2015-16)
1.	Machine Tools	6173	7752	12390	10288	5965	0.06%
2.	Dies, Moulds and Press Tools	1200	1350	5500	6356	6000	16.46%
3.	Textile Machinery	10098	10687	10834	9273	80.96	-4.71%
4.	Printing Machinery	7734	8322	8922	8969	6814	0.68%
5.	Earthmoving And Mining Machinery	4200	5500	5600	4812	1166	-20.18%
6.	Plastic Processing Machinery	2300	2600	1304	914	1860	-1.44%
7.	Food Processing Machinery	3686	3900	4742	4487	1965	-12.25%
8.	Process Plant Equipment	11925	10600	4200	4650	NA	-
9.	Heavy Electrical Equipment Sector	55291	55608	71570	67967	58336	1.56%

*Source: Capital Goods Industry Associations viz. (i) IMTMA (ii) TAGMA (iii) TMMA (iv) IPAMA (v) PMMAI (vi) ICEMA (vii) AFTPAI Note: The base year for CAGR is 2015-16.*

*NA: data not available / not received from Capital Goods Industry Associations*

**c) Export data**

(₹ in crore)

Sr. No.	Sub sector	2016-17	2017-18	2018-19	2019-20	2020-21	CAGR (4 Year) (Base Year 2015-16)
1.	Machine Tools	361	354	673	768	531	12.39%
2.	Dies, Moulds and Press Tools	1700	1600	1100	1138	973	-15.80%
3.	Textile Machinery	2438	2939	3665	2556	3307	7.06%
4.	Printing Machinery	1332	1235	1180	1230	1012	-5.82%
5.	Earthmoving and Mining Machinery	3700	4800	5300	3583	1816	-11.78%
6.	Plastic Processing Machinery	900	1100	247	335	1348	14.00%

Sr. No.	Sub sector	2016-17	2017-18	2018-19	2019-20	2020-21	CAGR (4 Year) (Base Year 2015-16)
7.	Food Processing Machinery	2178	2560	2686	2737	4555	15.66%
8.	Process Plant Equipment	9291	8950	7450	8330	NA	-
9.	Heavy Electrical Equipment Sector	39280	41677	52910	60698	63839	10.60%

*Source: Capital Goods Industry Associations viz. (i) IMTMA (ii) TAGMA (iii) TMMA (iv) IPAMA (v) PMMAI (vi) ICEMA (vii) AFTPAL.*

*Note: The base year for CAGR is 2015-16.*

*NA: data not available / not received from Capital Goods Industry Associations*

*(Source: Annual report 2021-22 of Ministry of Heavy Industries)*

## BUSINESS OVERVIEW

Some of the information in this chapter, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read the chapter **“Forward-Looking Statements”** on page 13 of this Prospectus for a discussion of the risks and uncertainties related to those statements and also **“Risk Factors”**, **“Restated Financial Statement”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** on pages 23, 184 and 214 respectively of this Prospectus, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

*The financial figures used in this chapter, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “Sharp Chucks and Machines Limited”, ‘the Company’, ‘our Company’, ‘SCML’ and ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to Sharp Chucks and Machines Limited.*

### BACKGROUND AND OVERVIEW

Our Company was originally incorporated in Jalandhar, Punjab as “Sharp Garden Implements Private Limited”, a private company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 10, 1994 issued by the Registrar of Companies, Punjab, H.P & Chandigarh. Subsequently, the name of our Company was changed to “Sharp Chucks and Machines Private Limited” a certificate of incorporation pursuant to change of name dated October 09, 1995 was issued by Registrar of Companies, Punjab, H.P & Chandigarh. Further, our Company was converted from a private limited company to a public limited company and consequently, the name of our Company was changed to “Sharp Chucks and Machines Limited”, and a fresh certificate of incorporation dated August 12, 2004 was issued by the Registrar of Companies, Punjab, H.P & Chandigarh to our Company. Thereafter, our Company was again, converted from a public limited company into a private limited company and consequently, the name of our Company was changed to “Sharp Chucks and Machines Private Limited”, and a fresh certificate of incorporation dated February 27, 2014 was issued by the Registrar of Companies, Punjab & Chandigarh to our Company. Subsequently, our Company was again converted from a private limited company into a public limited company, pursuant to a special resolution passed by the shareholders at the extraordinary general meeting dated December 07, 2022 and consequently, the name of our Company was changed to “Sharp Chucks and Machines Limited”, and a fresh certificate of incorporation was granted by the Registrar of Companies, Chandigarh dated December 20, 2022. For details of change in the name of our Company and address of registered office of our Company, please refer to chapter titled **“History and Certain Corporate Matters”** on page 159 of this Prospectus

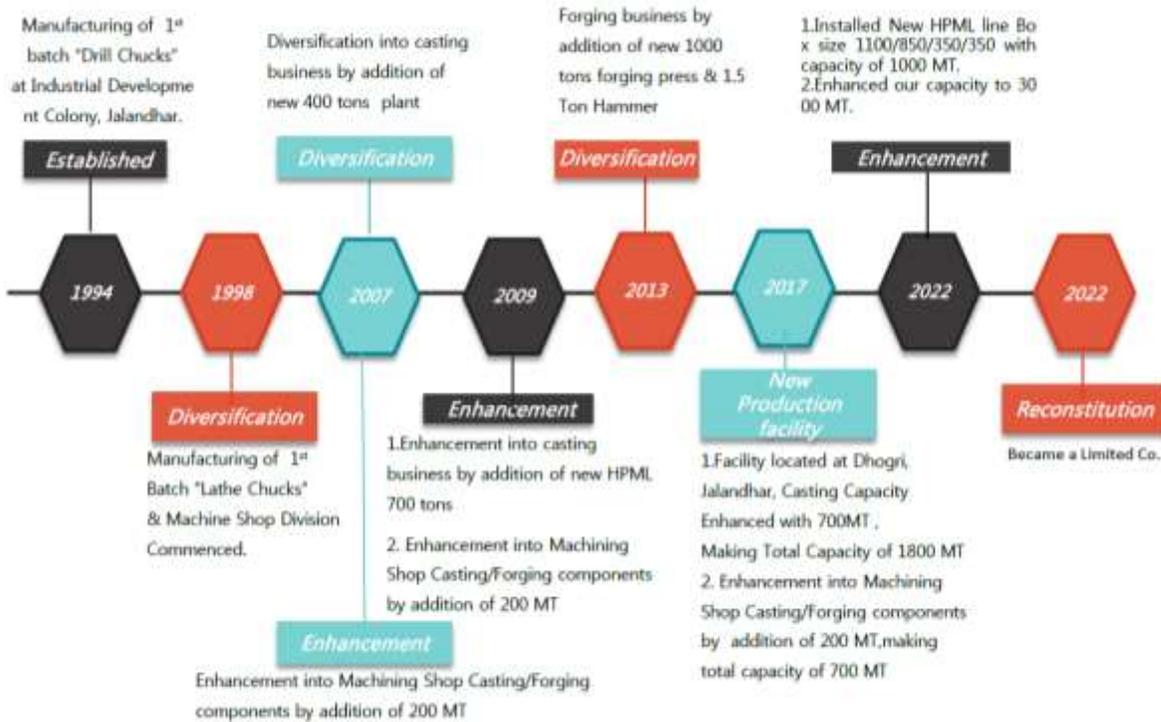
We started our manufacturing operations in the year 1994 with our first manufacturing plant set up in Jalandhar. Our Company is promoted and managed by our Managing Director and Promoter, Ajay Sikka who has been instrumental in the growth of our Company.

We believe we are one of the few integrated companies to have the capability to manufacture forging products, casting products and machined components, that finds its application in a diverse industry, such as tractor, automobiles, material handling & earth moving equipment, railways, defense, machine tools, DIY industry, etc. Our range of products under our manufacturing capabilities is summarized as under:

Forging products	Casting products	Machine components
Gear, Dog Clutch, Scaffolding, C Clamp Spanner, Wrench Axe, Ball Pein Hammer, Cross Pein Hammer, Machinist Hammer, Sledge Hammer, Splitting Maul, Stoning Hammer Hatchet, Combination Spanner, Splitting Axe, Splitting Wedge, Fireman Axe, Michigan Axe, Hunter Axe, Drilling Hammer, Claw Hammer, Camp Axe, Single Bit Axe	Brake Housing, Piston Trumpet Housing, Wheel Hub Kit, Rear Cover, Bell Housing, Front Axle Bracket, Gear Box, B.P Shaft Carrier, Brake Drum, Front Axle Housing, Lift Arm, Ram Cylinder, Rear Turnion, Planetary Carrier, TP Carrier, Cage, Steering Arm, Lift Housing, PTO Housing, Fly Wheel, Gear Casing, Cylinder Block, Plannet Carrier M Star, Support	Power Chucks, Lathe Chucks, Drill Chucks, Machine Tools Accessories

	Front Axle, Plate Input Retainer, Temper Head.	
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We manufacture these products from our Manufacturing Units (*as defined below*) ensuring conformity with the international standards. We believe, our manufacturing facilities have advanced technologies to develop and manufacture the products that meet the stringent quality control requirements of our customer.



As on the date of this Prospectus we have 2 manufacturing units in Jalandhar consisting of three foundries having installed capacity of 30000 MTPA and Machining facilities consisting of VMC, CNC and other machineries having installed capacity of 14400 MTPA and one forging unit consisting of hammers, billiard heaters etc having installed capacity of 3600 MTPA.

## OUR LOCATION

<b>Registered Office</b>	A-12 Industrial Development Colony, Jalandhar - 144012, Punjab, India.
<b>Manufacturing Unit I</b>	A-11/12/13, A-17/18/26, A-20/21/22/23, A-10/Chak Hussaina Lamba Pind Industrial Development Colony, Bye Pass, Jalandhar
<b>Manufacturing Unit II</b>	Unit No-2, VPO-Dhogri, Pathankot Road, Jalandhar

*\*Our Manufacturing Unit I and Manufacturing Unit II will be collectively referred to as Manufacturing Units*

Our Company is engaged in the manufacturing of forging and graded casting machined components of tractors and other automobiles, and are also engaged in power chucks, lathe chucks, drill chucks, and other machine tools accessories We supply to automobile industries in India and OEMs industries. Our manufactured products have diverse applications for tractor, automobiles, material handling & earth moving equipment, railways, defense, machine tools, DIY industry, etc. We also manufacture customized components as per customer specific requirements and use, with high degree of precision both in quality and time with personalized services to our strong customer base in India and overseas. We as on the date of the Prospectus offer variety of SKUs of machine tools, forged and casted automobile parts and also intends to expand our product portfolio. The list of our product SKUs are as below:

<b>Casting</b>	brake housing, piston, trumpet housing, wheel hub kit, rear cover, bell housing, front axel braket, gear box, b.p shaft carrier, brake drum, front axel housing, lift arm, ram cylinder, rear turnion, planetary carrier, tp carrier, cage, steering arm lift housing, pto housing, fly wheel,
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	gear casing cylinder block, plannet carrier m star, support front axle, plate input retainer, temper head
machine tool	lathe chucks, independent chucks, power chucks, mtj chucks, forward jaw, reverse jaw, soft jaws, base hard jaws, top hard jaws, top soft jaws, wedge, t-nut, handle, back plates, drill chucks, spare keys
forging /striking tools	gear, dog clutch, scaffolding, c clamp, spanner, wrench, axe, ball pein hammer, cross pein hammer, machinist hammer, sledge hammer, splitting maul, stoning hammer, hatchet, combination spanner, splitting axe, splitting wedge, fireman axe, michigan axe, hunter axe, drilling hammer, claw hammer, camp axe, single bit axe

Our Company has necessary instruments for checking the quality of our raw materials and finished goods for measuring the sizes and shapes in order to match the standards based on the standardized dimensions as well as customer specifications. If the raw materials purchased through the purchase orders fail to confirm to the required standards for manufacturing our products, the same are liable to be rejected and are returned to the suppliers/vendors. The finished products are also tested in-house to ensure that the same is of relevant standards and design as specified by the customer; the products are then packed and dispatched to the end users or customers.

Our focus is to consistently expand our product portfolio by developing new designs. We have, in the last few years, been successful in obtaining various client approvals and thus onboard marquee clients from the industry to which we cater. We believe that we share a longstanding relationship with our customer and we receive majority of our business from repetitive clients. We constantly engage with our customers through marketing via personal interactions and updating them on our capabilities and strengths. Our sales team works closely with our customers to obtain their insights and feedback about the upcoming trends in the industry which enables us to develop and improve our products to fulfil the requirements of the market.

We have received performance appreciation from our leading customer such as “*Excellent Performance in the field of Escorts Supplier Quality Systems Improvement Audit*” conducted on July 15, 2021, “*Best SCM Performance Award*” by a leading automotive & farm equipment company towards outstanding performance in 2009-10 and “*Support and Contribution in timely development of parts & supply – in harvesting season during Covid-19*” by a leading tractor brand. We believe we are also the “Preferred Partners” to our customers for all the requirements & queries. We have also received various certifications, demonstrating our dedication and commitment to quality such as IATF 16949:2016, ISO 9001:2015 and BSI SA 8000:2014.

#### Financial Snapshot

##### Segment wise revenue

Particulars	As on March 31, 2023 (₹ in lakhs)	% of the Total Revenue	As on March 31, 2022 (₹ in lakhs)	% of the Total Revenue	As on March 31, 2021 (₹ in lakhs)	% of the Total Revenue	As on March 31, 2020 (₹ in lakhs)	% of the Total Revenue
Machine Tools	440.12	2.49%	2317.35	15.00%	522.89	3.86%	582.26	5.11%
Forging	2017.67	11.43%	2322.01	15.00%	2332.21	17.22%	2071.80	18.18%
Casting	15187.18	86.07%	10551.41	69.00%	10690.98	78.92%	8740.15	76.71%
<b>Total</b>	<b>17644.97</b>	<b>100.00</b>	<b>15190.78</b>	<b>100.00</b>	<b>13546.08</b>	<b>100.00</b>	<b>11394.22</b>	<b>100.00</b>

Geographical revenue of our Company as per Restated Financial Information as under:

(₹ in Lakhs)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Domestic	16904.99	14098.04	13002.70	10745.12
Export	739.98	1092.74	543.38	649.10
<b>Total</b>	<b>17644.97</b>	<b>15190.78</b>	<b>13546.08</b>	<b>11394.22</b>

Financial Snapshot of our Company as per Restated Financial Information is as under:

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

Notes:

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

## OUR PRODUCT PORTFOLIO

Our portfolio of products can be classified into following categories:

### 1. Lathe / Power / Drill Chucks/ Machine Tools:

Product Name	Image	End Use
Self Centering Lathe Chucks (Standard Jaws)		Manufacturers of Lathe machine drill machines, CNC/VMC machines

Product Name	Image	End Use
<b>Self-Centering Lathe Chucks (Master Top Jaws)</b>		
<b>Self-Centering Lathe Chucks, Double Jaw Guide (Standard Jaws)</b>		
<b>Four Jaw Independent Chuck</b>		
<b>Spare Parts of Lathe Chuck</b>		

Product Name	Image	End Use
<b>Power Chuck Close Centre</b>		
<b>Power Chuck Open Centre</b>		
<b>Eccentric Compensation / Jaw Compensation</b>		
<b>Rotary Cylinder</b>		

Product Name	Image	End Use
Drill Chucks with Keys		Manufacturers of Lathe machine drill machines, CNC/VMC machines and DIY tools

*Casting Products*

Product Name	Image	Application
Brake Housing		Tractor Industry
Trumpet Housing		
F/W Hub		

Product Name	Image	Application
<b>Cylinder Block</b>		
<b>Gear Casing</b>		
<b>Piston</b>		
<b>T P Carrier</b>		

**Forging**

<b>Product Name</b>	<b>Image</b>	<b>Application</b>
<b>Lift Arm Casting</b>		Tractor Industry
<b>Lift Arm</b>		
<b>Kona Gear/Blanks</b>		
<b>Gear Blanks</b>		

Product Name	Image	Application
<b>Axes</b>		Hand tools/ DIY industries
<b>Claw hammer</b>		
<b>Hammers(Sledge/club)</b>		
<b>Splitting Mauls</b>		

Product Name	Image	Application
<b>Mattock</b>		
<b>Tamper</b>		Construction Industries
<b>Jack stand</b>		

## OUR COMPETITIVE STRENGTHS

We believe the following strengths enable us to compete successfully in our market:

**1. *In-house manufacturing facilities and machining centre***

Our Company has its own in-house manufacturing facilities and machining centre which enables us to maintain high quality production standards and also helps us in minimizing production time and bringing cost effectiveness. Our In-house -machining centre consists of induction furnaces with the capacity of 1500, 1000 and 500 Kgs, CAD & CAM facilities, software's such as, Auto-CAD, solid works, solid edge, etc, CNC machines, including vertical milling machine & turning centers, hmc machines, conventional lathes.

**2. *Wide product range and customized product offering***

We have started our business activities with manufacturing of drill chucks and lathe chucks and have since branched out to manufacturing of customized casting which has enabled us to diversify our product portfolio manifold and further we had diversified into the business of forging i.e. DIY tools. Having a wide range of products not only enables us to meet the trends and ever-changing demands of our customers but also gives our Company an edge to efficiently compete with our competitors. Our product portfolio also includes diversified variety of machine tools and forging and consideration machined components in various specifications and sizes having wide applications in varied industries. Our constant efforts are focused towards identifying the customer requirements and introducing high quality products which are in demand.

**3. *Vast Experience of Promoters***

Our Company's core strength lies in the extensive experience gained by our Promoters in this industry. Our Promoters, Ajay Sikka and Gopika Sikka possess more than 25 years of experience in this field, which enables us to deliver quality products to our customers and help us to gain expertise in the production.

**4. *Customer Diversification***

We sell our products both in the domestic as well as international markets. In the domestic market, we sell our products to the OEMs, manufacturers as well as traders while in the international market we supply our products through traders in the International market. We have been exporting since incorporation and as on March 31, 2023, some of the countries we are exporting to including but not limited to USA, Russia, Italy, Germany, Sweden, Venezuela and Croatia., etc.

Revenue contribution from our top 5 customers is ₹ 13018.42 Lakhs, ₹ 10001.69 Lakh and ₹ 9311.02 Lakh contributing 73.78 %, 65.58 %, and 68.55 %, for Fiscals 2023, 2022 and 2021, respectively. Our diversified customer base signifies our non-dependence on any single customer and thereby hedges our business operations from potential customer specific risk, sector specific risks, including but not limited to policy announcements, change in global markets and international relations etc.

**5. *Effective quality control checks***

We have developed quality control processes for inspecting the raw materials as well as the final products. The raw materials undergo a quality check and for this purpose we have even implemented internal procedures for procurement of the raw material as the quality of the final product is dependent on them. Our Units have dedicated personnel responsible for monitoring the parameters of equipment, strength of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly. These multi-level quality checks ensure that we consistently provide good quality products which further enhances our brand value

## ***OUR BUSINESS STRATEGIES***

Our business strategy is to leverage our reputation in the marketplace for quality and manufacturing efficiencies to capture further revenue opportunities.

### ***1. Continue to add to product portfolio by introducing new designs***

Our Company's strategy is focused towards introducing new product designs to cater to the requirements of our customers as well as garnering the attention of more customers. This helps in strengthening the relationship with the existing customer network through a wide range of products while also onboarding new customers from untapped geographies. Identifying and developing new products and designs is a continuous exercise that our management team engages into as we believe that there is an immense demand in the global markets for unique designs, good quality and competitively priced products.

### ***2. Expand our customer base***

Historically, our ability to enter into new customer relationships has been critical to our growth. Certain of our customers are part of large groups with operations across geographies and legal entities. We also intend to continue to leverage our products and our long-term relationships and credentials with our existing customers and referrals from such customers to further develop and strengthen our customer base. We believe that there are certain geographies including India and other countries where we are under-penetrated on automotive components and will strive to improve our market share in such geographies.

### ***3. Utilization of existing installed capacity***

Presently, our Company has installed capacity of 30,000 MT of casting unit, 14400 MT for machining unit and 3600 MT for manufacturing of automotive components. For the year ended March 31, 2023, our total production was 19606 MT, which constitutes 65% of the installed capacity of 30,000 MT of casting unit., our total production was 7690 MT, which constitutes 53% of the installed capacity of 14400 MT of machining unit and our total production was 1730 MT, which constitutes 48% of the installed capacity of 3600 MT of forging unit. Considering the future demand potential, we intend to utilize our existing installed capacity to maximum level.

### ***4. Continuing focus on improving operational efficiency***

We aim to continue to improve profitability by constant cost optimization, improving product mix by enhancing contribution of higher-value added machined products and increasing capacity utilization. We also constantly aim to identify opportunities to implement product improvements and dedicated research and development resources to optimize production processes.

We continuously evaluate the cost-benefit of outsourcing non-critical operations so that we can focus our efforts on delivering the best quality products within our core areas. For instance, we outsource certain machining operations which helps optimize utilization of our current machining capacity.

Further, our Company intends to improve operating efficiencies to achieve cost reductions so to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development.

### ***5. Continue to enhance our core strengths by attracting, retaining and training qualified personnel***

We believe that our ability to effectively execute and manage projects is crucial to our continued success. We understand that maintaining quality, minimising costs and ensuring timely completion of our projects depends largely on the skill and workmanship of our employees. As competition for qualified personnel increases among engineering and construction companies in India, we seek to improve competitiveness by increasing our focus on training our staff. We offer our engineering and technical personnel a wide range of work experience and learning opportunities by providing them with continuous training in latest systems, techniques and knowledge upgradation.

## ***Our Manufacturing Process***

### **1. Preparation of Sand:**

This is most important activity of the unit, where sand is prepared by adding new sand & additives etc. as per quality parameters. The quality of the sand governs the castings finish & controls other sand defects. Fully automatic plant is being provided which comprises of Intensive mixers, knock out, sand cooler, hoppers, magnetic separator, bucket elevator & conveyor belt.

### **2. Preparation of Molds:**

Molds are made on one-line simultaneous jolt & squeeze pressure molding machine. This machine is semiautomatic where molding, mold transfer, closing, etc, is done automatically.

### **3. Melting:**

Induction furnaces with pollution control equipment is installed to obtain molten metal at 1400 to 1600 degree temperature with electricity. CI turning boring, MS scrap & pig iron are used as major raw materials.

- **Pouring:**

The molten metal from Induction Furnaces is poured into the molds by ladle on monorails/crane.

- **Knock Out:**

After pouring the molds shall be carried through automatic track line & punch out machine will punch the sand & casting from the mold box automatically. The sand will go in the return circle & casting will go to shot Blasting / Fettling.

### **4. Shot Blasting:**

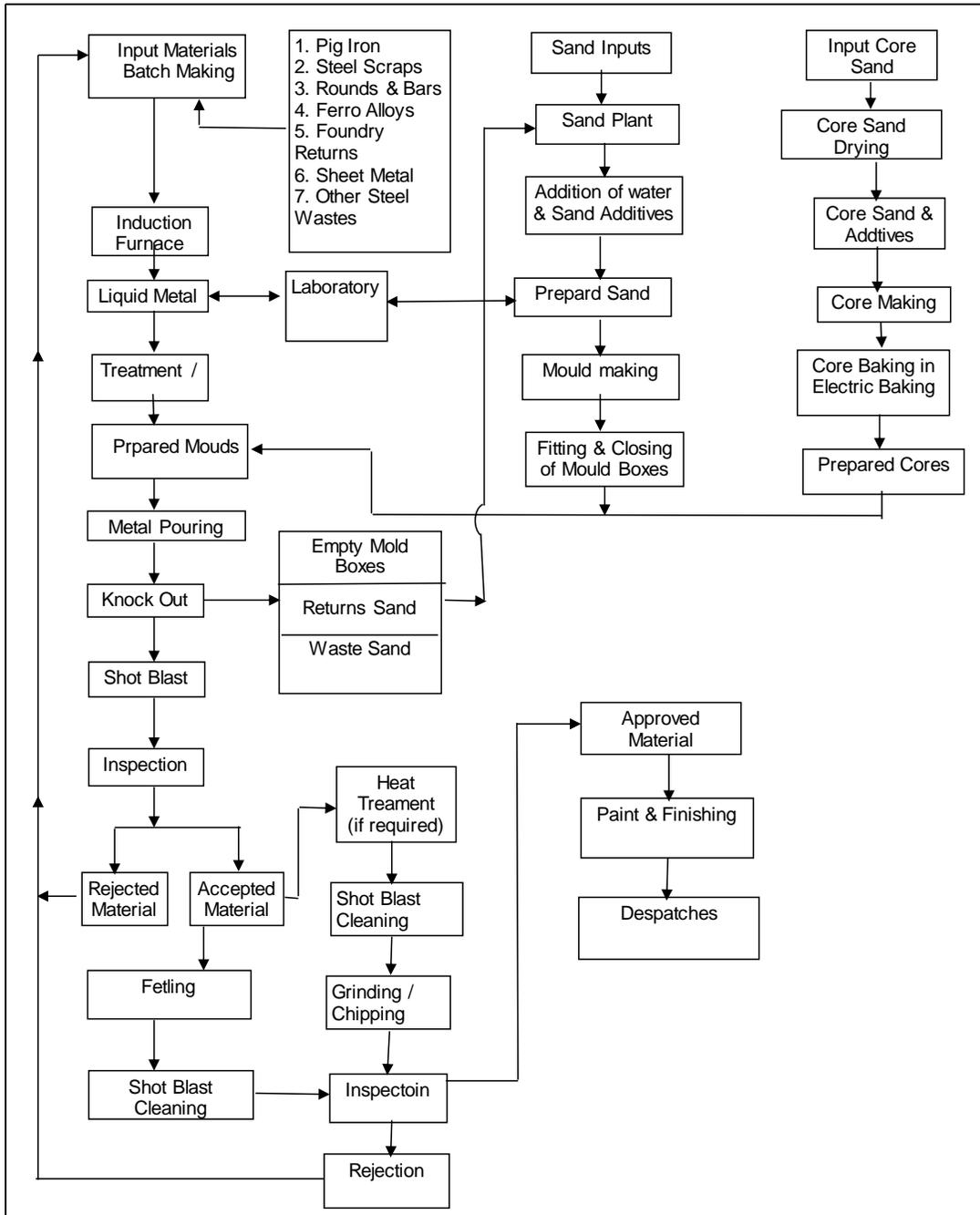
After punch-out (Knock Out) the casting shall be cleaned through shot blasting process. The two Nos. of Shot blasting Machines have been installed for the purpose. After that extra material / fins etc shall be removed by hand / bench grinders. After fettling castings shall be primer coated with casting sealer.

### **5. Quality Control/Inspection Foundry:**

Incoming Inspection & raw materials like Pig iron, Sand, Betonites etc. is done. Inspection of sand, metal and molds shall be done with suitable inspection facility like chemical, physical, spectrometer & sand lab. The final product is inspected as per customer / International Standards or specification and appropriate facilities shall be provided.

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**Casting process:**



*[The Remainder of this Page has intentionally been left blank]*

## Forging Process



## OUR EQUIPMENT

Our manufacturing facilities are equipped with advanced equipment and modern technology. The following tables set forth mentioned below are the list of machineries available as on date of Prospectus:

Sr. No.	List of Machineries	Status
1.	HMC	OWNED
2.	VMC	OWNED
3.	Induction furnaces (Electric)	OWNED
4.	High-pressure moulding line	OWNED
5.	Sand Cooler	OWNED
6.	Shot blast machines	OWNED
7.	Grinders	OWNED
8.	CNC Turning Centre	OWNED
9.	VTL	OWNED
10.	Balancing Machines	OWNED
11.	Billets heater	OWNED
12.	Forging Press Line: Hot Forging Press 1000 Ton Capacity	OWNED
13.	Forging Press Line: Trimming Presses 250 Ton	OWNED
14.	Forging Press Line: Punching Press 200 Ton	OWNED
15.	Forging Press Line: Forging Press 250 Ton Capacity	OWNED
16.	Forging Press Line: Induction Heater 300 Kw	OWNED, OUT OF ALL , ONLY ONE MACHINE IS ON LEASE AS ON 31.03.2023
17.	Forging Hammer Line: 1.5 Ton Hammer	OWNED
18.	Forging Hammer Line: Piercing & Trimming Press 300 Ton	OWNED
19.	Forging Hammer Line: Punching Press 200 Ton	OWNED
20.	Forging Hammer Line: Roll Forging Machine	OWNED
21.	Cutting Infra: Shearing Machine 80mm	OWNED
22.	Cutting Infra: Circular Bar Cutting Machine	OWNED

## CAPACITY UTILIZATION

### Casting Unit

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Installed Capacity (in mt)	30,000	18000	18000
Actual Capacity (in mt)	19,606	15823	15051
Capacity Utilisation (in %)	65%	88%	84%

### MACHINING UNIT :-

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Installed Capacity (in mt)	14400	9600	7200
Actual Capacity (in mt)	7690	7800	6600
Capacity Utilisation (in %)	53%	81%	92%

### FORGING UNIT:-

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Installed Capacity (in mt)	3600	1800	1800
Actual Capacity (in mt)	1730	1500	1200
Capacity Utilisation (in %)	48%	83%	67%

\*As certified by M/s. Kunwar Sunil Kumar, Chartered Auditor, vide their certificate September 09, 2023

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary. For details, please refer to Chapter titled “*Risk factors*” page 23 of this Prospectus.

#### **PROCUREMENT OF RAW MATERIALS:**

We primarily need CI boring, MS iron, pig iron and round / flat iron to manufacture our products which we procure locally. Our reliance on external sources for raw material is reduced due to the backward integration process where we use the scrap iron which is the by-product of our manufacturing processes as our raw material. For the Financial year as March 31, 2021, March 31, 2022 and March 31, 2023, the cost of raw material consumed amounts to ₹ 7593.84 Lakhs, ₹ 8820.26 Lakhs, and ₹ 10,983.76 Lakhs representing 58.06%, 65.92% and 62.25% respectively, of our revenue from operations.

#### **INVENTORY MANAGEMENT**

The quantity of our finished products is determined based on a combination of confirmed and expected orders based on past trends. We manage our inventory based on various parameters for maintaining minimum and maximum stock levels of raw materials and finished products. Further, stock is taken physically at defined intervals and our existing stock is reviewed at regular intervals for quality purposes. Our finished products are stored on-site at our manufacturing Units.

#### **RESEARCH & DEVELOPMENT**

Our Company have an experienced R&D team. After discussion with the customers about the specifications and the quality of build needed, we procure the raw materials needed and supply them to the R&D team along with the desired specifications so that they can deliver the sample moulds which we can use to make a sample finished product for our customer to approve.

#### **CUSTOMER NETWORK AND SALES**

We are a B2B manufacturer, selling our products in India and overseas, particularly to the USA, Russia, Italy, Europe, UAE and Iran. We supply our products to our customers on purchase-order basis and have no long term supply agreement.

#### **LOGISTICS**

We use various modes of transportation including roadways and waterways for sourcing of our raw materials as well as finished goods. We outsource the delivery of our products to third-party logistics providers and rely on freight forwarders and C&F agents to deliver our products to our customers. We do not have long-term contractual relationships with the logistics providers or freight forwarders.

#### **COLLABORATIONS/TIE UPS / JOINT VENTURES**

Our Company has not entered into any Collaborations/ Tie-Ups/ Joint Ventures as on the date of this Prospectus.

#### **INFORMATION TECHNOLOGY**

We believe that an appropriate information technology infrastructure is important to support the growth of our business. Our IT infrastructure enables us to track orders from customers, procurement of raw materials, sale of finished goods and inventory management.

#### **EXPORT OBLIGATION**

Our Company do not have any export obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India. However, export for the Financial Year ended March 31, 2021, March 31, 2022 and March 31, 2023 are as follows:

*(₹ in Lakhs except percentage)*

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Export Turnover	739.98	1092.74	543.38
% to the Revenue from Operations	4.19%	7.19%	4.01%

## SUBSIDY

Our Company is also received subsidy from the Government of India under the scheme of PMRY EPF. The details of amount received for the Financial Year ended March 31, 2021, March 31, 2022 and March 31, 2023 are as follows:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
PMRY EPF subsidy received	12.34	13.79	4.94
Rebate (PSPCL)	218.00	Nil	Nil

## SALES AND MARKETING

Our marketing team consists of 5 employees, who keep a track of new leads and stay in touch with our existing customers when new developments are foreseen at their end. There is continuous interaction with the product development team at customer end so as to understand the potential business possibilities in near future and the opportunities where we can be sharing responsibilities for new product component support. Our marketing team along with our promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of our customers.

## COMPETITION

We operate in an industry which is highly competitive and fragmented and we compete with a range of organized and unorganized players, both at the national and regional level. Further, while we have an expanding portfolio of products, our competitors may have the advantage of focusing on concentrated products. Further, we compete against established players also, which may have greater access to financial, technical and marketing resources and expertise available to them than us in the products and services in which we compete against them.

We believe the principal elements of competition in our industry are quality, price, and range of the products offered. Our twenty-five plus years of presence in the market coupled with the high quality and vast range of products as well as our product development capabilities, helps us in having a competitive edge in the market. While these factors are key parameters the in-client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals.

## QUALITY MANAGEMENT

In the precision components manufacturing industry, adherence to quality standards is a critical factor as any defects in any of the products manufactured by us, or failure to comply with the design specifications of our customers, may lead to cancellation of the purchase order placed by our customers and further loss of reputation. In order to maintain the quality standards and comply with the design specifications provided by our customers, we follow a stringent quality control mechanism. At each stage of the manufacturing process, the components are checked by our operators, to ensure there is no defect from the previous stage operator. As a result of our quality assurance efforts over the years, our manufacturing units have received IATF 16949:2016.

## INFRASTRUCTURE & UTILITIES

### Power

The requirement of power for our operations, like power for lighting and operating the machinery/equipment is met through Punjab State Power Corporation Limited and DG sets installed at our manufacturing units.

### Water

Our water requirement is fulfilled from municipal corporation, Jalandar which at present caters to our entire need. We store our water requirements at our Manufacturing Units and also reuse the water to meet our requirements.

### Pollution Control

We have installed dust collectors, air pollution control device as well. We also responsibly collect waste and dispose them off to a waste collector entity.

## HUMAN RESOURCE / EMPLOYEES

The manufacturing process requires an appropriate mix of skilled, semi-skilled and un-skilled labour, which is readily available in the Manufacturing area. We believe that our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

As on the date of this August 31, 2023, the list of personnel employed in our Company are as follows:

Department	No. of Employees
Accounts & finance	5
Admin	38
Chucks	55
Design	24
Dispatch	1
Forging	65
Foundry	234
Machine shop	139
Marketing	2
Purchase	2
Store	4
<b>Total</b>	<b>569</b>

## INSURANCE

Our Company believes that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and our Company cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

## OUR PROPERTIES

### *Immovable Properties*

### *Intellectual Properties*

Sr. No.	Details of the Properties	Usage	Rights
1.	A-12, Industrial Development Colony, Jalandhar Punjab - 144012	Registered Office	Rent Free
2.	A-11/12/13, A-17/18/26, A-20/21/22/23, A-10/Chak Hussaina Lamba Pind, Industrial Development Colony, Bye Pass, Jalandhar	Manufacturing Unit/ Factory	Owned
3.	Unit No. - 2, Vpo - Dhogri, Pathankot Road, Jalandhar	Manufacturing Unit/ Factory and Raw Material Storage	Owned
4.	A-10, 20, Industrial Development Colony, Jalandhar, Punjab - 144012	Raw Material Storage	Owned

We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

Sr. No.	Trademark	Class	Applicant	Application Number	Date of Application	Registration Status
1.	Sharp with Device	07	Sharp Chucks & Machines Limited	01628029	December 05, 2007	Abandoned
2.	Sharp	07	Sh. Ajay Sikka	699671	February 26, 1996	Abandoned

Our Company will re-apply file necessary application or request for revival of the above applications or file fresh application. For more details, please refer to chapter titled ***“Risk Factor”*** on beginning on page 23 of the Prospectus.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the chapter titled “Government and other Approvals” on page 232 of this Prospectus.*

### **BUSINESS/INDUSTRY SPECIFIC LAW**

#### **The Micro, Small and Medium Enterprises Development Act, 2006 r/w Industries (Development and Regulation) Act, 1951**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

The Central Government has vide its notification numbering 1702(E) dated June 1, 2020 amended the definition of MSME which has come into effect from July 1, 2020. The revised definition is as under: (a) a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one Crore rupees and turnover does not exceed five Crore rupees; (b) a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten Crore rupees and turnover does not exceed fifty Crore rupees; and (3) a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty Crore rupees and turnover does not exceed two hundred and fifty Crore rupees. The MSME Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (“Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

#### **The Transfer of Property Act, 1882**

The Transfer of Property, 1882 (“T.P. Act”) including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the T.P. Act. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes.

### **ANTI-TRUST LAWS**

#### **Competition Act, 2002**

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India.

## **GENERAL CORPORATE COMPLIANCE**

### **The Companies Act, 2013**

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. It is the essential Act which is being used for each and every commercial transaction.

## **LABOUR AND EMPLOYMENT LAWS**

### **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 (“Industrial Disputes Act”) provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act. The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or layoff or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

### **Industrial (Development and Regulation) Act, 1951**

This Act has been liberalized under the New Industrial Policy dated July 24th, 1991, and all industrial undertakings have been made exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial

Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### **The Employees State Insurance Act, 1948**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESIC Act and maintain prescribed records and registers.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months.

### **Payment of Gratuity Act, 1972**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service.

### **Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

### **The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”) and the schemes formulated there under (“Schemes”)**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 (“EPF Act”) was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments.

EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the “Employees Provident Fund Scheme”, “Employees Deposit-linked Insurance Scheme” and the “Employees Family Pension Scheme”. Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Apprentices Act, 1961**

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with

a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

### **Child Labour (Prohibition and Regulation) Act, 1986**

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act, the employment of child labour in the building and construction industry is prohibited.

### **OTHER LAWS**

As Industry Practice, these laws are yet to be notified but voluntary compliance is done across Industry to the extent as required from time to time.

### **Occupational Safety, Health and Working Conditions Code, 2020**

Occupational Safety, Health and Working Conditions Code, 2020 is an Act to consolidate and amend the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment. The code amalgamate, simplify and rationalise the relevant provisions of the following thirteen Central labour enactments relating to occupation, safety, health and working conditions of workers, namely, 1. The Factories Act, 1948; 2. The Plantations Labour Act, 1951; 3. The Mines Act, 1952; 4. The Working Journalists and other Newspaper Employees (Conditions of Service and Miscellaneous Provisions) Act, 1955; 5. The Working Journalists (Fixation of Rates of Wages) Act, 1958; 6. The Motor Transport Workers Act, 1961; 7. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966; 8. The Contract Labour (Regulation and Abolition) Act, 1970; 9. The Sales Promotion Employees (Condition of Service) Act, 1976; 10. The Inter-State Migrant workmen (Regulation of Employment and Conditions of Service) Act, 1979; 11. The Cine Workers and Cinema Theatre Workers Act, 1981; 12. The Dock Workers (Safety, Health and Welfare) Act, 1986; and 13. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The Code received the assent of the President of India on September 28, 2020 and is published in the official gazette. The Code extends to the whole of India and covers all employees and workers whether in the organized, unorganized or any other sector. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 08, 2019. Few sections of the code have been notified whereas the remaining provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

### **The Code on Social Security, 2020**

Code on Social Security, 2020 is an Act to amend and consolidate the laws relating to social security with the goal to extend social security to all employees and workers either in the organized or unorganized or any other sectors. Code On Social Security, 2020, amalgamate, simplify and rationalise the relevant provisions of the following nine central labour enactments relating to social security, namely, (i) The Employees' Compensation Act, 1923;(ii) The Employees' State Insurance Act, 1948;(iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;(iv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;(v) The Maternity Benefit Act, 1961;(vi) The Payment of Gratuity Act, 1972;(vii)The Cine Workers Welfare Fund Act, 1981; (viii) The Building and Other Construction Workers Welfare Cess Act, 1996; and (ix) The unorganized Workers' Social Security Act, 2008. The Code received the assent of the President of India on September 28, 2020 and is published in the official gazette. Few sections of the code have been notified whereas the remaining provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government.

### **The Industrial Relations Code, 2020**

Industrial Relations Code, 2020 is an Act to consolidate and amend the laws relating to Trade Unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial disputes. Industrial Relation Code 2020 amalgamate, simplify and rationalise the relevant provisions of (a) the Trade Unions Act, 1926; (b) the Industrial Employment (Standing Orders) Act, 1946; and (c) the Industrial Disputes Act, 1947. The Code received the assent of the President of India on September 28, 2020 and is published in the official gazette. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **ENVIRONMENT PROTECTION LAWS**

#### **Environment Protection Act, 1986 (“Environment Act”)**

The Environment Act provides a framework for the coordination of activities of various state and central authorities established under previous environmental laws by the Central Government. The Environment Act states that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of prescribed standards. Further, it empowers the Central Government to make rules for various purposes, including prescribing as below:

- the standards of quality of air, water or soil for various areas;
- the maximum allowable limits of concentration of various environmental pollutants for different areas; and
- the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents.

#### **Environment (Protection) Rules, 1986 (“Environment Rules”)**

In exercise of powers conferred under the Environment Act, the Central Government notified the Environment Rules. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board (“PCB”) an environmental statement for that financial year in the prescribed form.

#### **Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

The Air Act mandates that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions, obtains consent from the PCB prior to commencing any activity. The consent may be conditional on certain specifications like installation of pollution control equipment.

#### **Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)**

Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater or establishing any treatment or disposal system or the using of any new or altered outlet for the discharge of sewage is required to obtain the consent of the applicable state PCB, which is empowered to establish standards and conditions that are required to be complied with. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state PCB. Even before the expiry of the consent period, the state PCB is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, the state PCB after serving notice to the concerned industry may withdraw water supply to the industry or cause magistrates to pass injunctions to restrain such polluters.

#### **Water (Prevention and Control of Pollution) Cess Act, 1977**

The Water Cess Act is a legislation providing for the levy and collection of a cess on local authorities and industries based on the consumption of water by such local authorities and industries so as to enable implementation of the Water Act by the regulatory agencies concerned.

### **Hazardous and other Wastes (Management and Trans boundary Movement) Rules, 2016 (“HW Rules”)**

The Hazardous Waste Rules, read with the EP Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of hazardous wastes have been provided in the schedules in the Hazardous Waste Rules. Our Company is required to obtain authorizations for the generation, processing, treatment, package, storage, transportation, use, collection, destruction, transfer or the like of the hazardous waste from the concerned state pollution control board.

### **Solid Waste Disposal Act, 1965 (as amended on November 15, 2021)**

The objectives of this Act are to promote the protection of health and environment and to conserve valuable material and energy resources by providing technical and financial assistance to State and local governments and interstate agencies for the development of solid waste management plans (including resource recovery and resource conservation systems) which will promote improved solid waste management techniques (including more effective organizational arrangements), new and improved methods of collection, separation, and recovery of solid waste and the environmentally safe disposal of non-recoverable residues.

This act prohibits future open dumping on the land and requiring the conversion of existing open dumps to facilities which do not pose a danger to the environment or to health and establishing a cooperative effort among the Federal, State, and local governments and private enterprise in order to recover valuable materials and energy from solid waste.

The act establishes double-liner requirements but may be waived of by the Administrator for any monofill, if such monofill contains only hazardous wastes from foundry furnace emission controls or metal casting molding sand. It gives more emphasis to proper collection, segregation, transportation, processing and disposal of solid waste so as to protect the environment and health of the public.

## **TAX LAWS**

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. Other compliances like those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like are also required to be complied by every Company.

### **Goods and Service Tax (GST)**

The Goods and Services Tax (“GST”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 (“CGST”), relevant state’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017 (“UTGST”),

### **State laws governing Entry Tax**

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It was levied at such rate as may be specified by the State Government and different rates may be specified for different goods.

### **Punjab State Development Tax, 2018**

This tax will be levy on persons under employment, professions, trades and callings for the benefit of the State of Punjab. The Act extends to whole of the state of Punjab and the offices of Government of Punjab covers all the persons by whom the tax is payable under Income tax Act,1962 i.e. PSDT is to be paid by all the persons who are liable to pay tax under the Income Tax Act.

## **INTELLECTUAL PROPERTY LAWS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

The Patents Act, 1970

Indian Copyright Act, 1957

The Trade Marks Act, 1999

Design Act, 2000

## **FOREIGN EXCHANGE REGULATIONS**

### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development and Regulation) Act, 1992 read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### **Foreign Exchange Management Act, 1999 (“the FEMA”) and Rules and Regulations thereunder**

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 (“Export of Goods and Services Regulations 2015”) issued by the RBI on January 12, 2016 [last amended on June 23, 2017]. The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make provisions such as declaration of exports, procedure of exports as well as exemptions.

## **CERTAIN OTHER LAWS AND REGULATIONS THAT MAY BE APPLICABLE TO OUR COMPANY**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like:

The Indian Negotiable Instrument Act 1881;

The Registration Act, 1908 (“Registration Act”);

The Maternity Benefit Act, 1961;

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”);

Public Liability Insurance Act, 1991;

Employees Compensation Act, 1923;

Sale of Goods Act, 1930;

Consumer Protection Act, 2019;

Specific Relief Act 1963;

Indian Stamp Act, 1899, as applicable to State of Punjab (the “Stamp Act”); and

Factories Act, 1948.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated in Jalandhar, Punjab as “Sharp Garden Implements Private Limited”, a private company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 10, 1994 issued by the Registrar of Companies, Punjab, H.P & Chandigarh. Subsequently, the name of our Company was changed to “Sharp Chucks and Machines Private Limited” a certificate of incorporation pursuant to change of name dated October 09, 1995 was issued by Registrar of Companies, Punjab, H.P & Chandigarh. Further, our Company was converted from a private limited company to a public limited company and consequently, the name of our Company was changed to “Sharp Chucks and Machines Limited”, and a fresh certificate of incorporation dated August 12, 2004 was issued by the Registrar of Companies, Punjab, H.P & Chandigarh to our Company. Thereafter, our Company was again, converted from a public limited company into a private limited company and consequently, the name of our Company was changed to “Sharp Chucks and Machines Private Limited”, and a fresh certificate of incorporation dated February 27, 2014 was issued by the Registrar of Companies, Punjab and Chandigarh to our Company. Subsequently, our Company was again converted from a private limited company into a public limited company, pursuant to a special resolution passed by the shareholders at the extraordinary general meeting dated December 07, 2022 and consequently, the name of our Company was changed to “Sharp Chucks and Machines Limited”, and a fresh certificate of incorporation was granted by the Registrar of Companies, Chandigarh dated December 20, 2022. 1

### Business and Management

For a description of our activities, services, designing, technology, market segments, the growth of our Company and regional geographical segment in which our Company, please refer chapter titled “*Business Overview*,” “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 131, 120 & 214 of this Prospectus, respectively. For details of the management and managerial competence of our Company, please refer chapter title “*Our Management*” on page 164 of this Prospectus.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

There has been changes in the registered office of our Company.

Date	From	To	Reason
January 06, 2014	A 17, 18 Industrial Development Colony, Jalandhar City, Punjab - 144012, India	A-12 Industrial Development Colony Jalandhar - 144012, Punjab, India	For Administrative Convenience

### MAIN OBJECTS OF OUR COMPANY

The Main Objects clause of the Company as per the Memorandum of Association is as under:

- To setup and carry on in India or elsewhere the business of manufacturing, processing, preparing, raising, converting, refining, acquiring, buying, selling, hire, assembling, distributing and dealing either of the own or as Commission Agents or as stockiest in all kinds and types of iron and steel goods, ferrous and nonferrous metals, steels, alloys, stainless steel, brass, copper, aluminum, rolling mills, sheets, garden tools, implements, equipment and machinery, fencing, garden fountains, machinery for amusement, parks, hand tools and machine tools, cutting tools, machinery and machinery parts, wire drawing and nettings, drill chucks, arc and induction furnace, pipes and tubes, pipe fittings, hardware goods, industrial goods, foundry works of iron, steel, brass and other metals, agricultural machinery and implements, valves and cocks from natural as well as synthetic resources.
- To carry on in India or abroad the business of Merchant Exporters, Importers, Mechanical and Electrical Engineers, Forgers, Metallurgists, Tools and Die makers, Brass Founders, Metal Workers, Iron and Steel makers and convertors, smiths, smelters, electroplaters, painters, machinists, Mill Wriths, Fabricators, Wire drawers, Galvanizers, Japners, Annealors, Heat Treaters, Enmellers, Contractors and suppliers to provide technical knowhow for manufacturing, producing and processing products and supply plant and machinery on turnkey basis or otherwise.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MoA)

Since incorporation, the following amendments have been made to the MoA:

Date of Shareholder's Resolution	Clause	Particulars
October 09, 1995	Name Clause	Change in the name of Company from "Sharp Garden Implements Private Limited" to "Sharp Chucks and Machines Private Limited"
January 10, 1996	Capital Clause	Increase in authorised share capital from ₹ 5,00,000 divided into 5000 Equity Shares of ₹ 100 each to ₹ 20,00,000 divided into 20000 Equity Shares of ₹ 100 each
June 02, 2001	Capital Clause	Increase in authorised share capital from ₹ 20,00,000 divided into 20,000 Equity Shares of ₹ 100 each to ₹ 30,00,000 divided into 30,000 Equity Shares of ₹ 100 each
November 09, 2002	Capital Clause	Increase in authorised share capital from ₹ 30,00,000 divided into 30,000 Equity Shares of ₹ 100 each to ₹ 40,00,000 divided into 40,000 Equity Shares of ₹ 100 each
October 27, 2003	Capital Clause	Increase in authorised share capital from ₹ 40,00,000 divided into 40,000 Equity Shares of ₹ 100 each to ₹ 41,00,000 divided into 41,000 Equity Shares of ₹ 100 each
April 26, 2004	Capital Clause	Increase in authorised share capital from ₹ 41,00,000 divided into 41,000 Equity Shares of ₹ 100 each to ₹ 1,00,00,000 divided into 1,00,000 Equity Shares of ₹ 100 each.
July 31, 2004	Capital Clause	Sub-division of each Equity Shares of our Company having face value of ₹ 100 each into Equity Share of ₹ 10 each.
July 31, 2004	Capital Clause	Increase in authorised share capital from ₹ 1,00,00,000 10,00,000 Equity Shares of ₹10 each to ₹ 1,50,00,000 divided into 15,00,000 Equity Shares of ₹10 each.
August 12, 2004	Name Clause	Change in the name of Company from "Sharp Chucks and Machines Private Limited" to "Sharp Chucks and Machines Limited" consequent upon Conversion of the Company from Private Company to Public Company.
March 15, 2007	Capital Clause	Increase in authorised share capital from ₹ 1,50,00,000 divided into 15,00,000 Equity Shares of ₹10 each to ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹10 each
March 20, 2010	Capital Clause	Increase in authorised share capital from ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹ 10 each to ₹ 42,50,000 (consisting 30,00,000 equity shares of ₹ 10 each and 1,250,000 7% preference shares of ₹ 10 each)
January 31, 2012	Capital Clause	Reclassification of share capital by Conversion of 12,50,000 7% preference shares of ₹ 10 each into Equity shares.
March 15, 2012	Capital Clause	Increase in authorised share capital from ₹ 4,25,00,000 divided into 42,50,000 Equity Shares of ₹ 10 each to ₹ 7,50,00,000 divided into 75,00,000 Equity Shares of ₹ 10 each.
February 03, 2014	Capital Clause	Increase in authorised share capital from ₹ 7,50,00,000 divided into 75,00,000 Equity Shares of ₹ 10 each to ₹ 11,00,00,000 divided into 1,10,00,000 Equity Shares of ₹ 10 each.
February 03, 2014	Name Clause	Change in name of the company from " <i>Sharp Chucks and Machines Limited</i> " to " <i>Sharp Chucks and Machines Private Limited</i> " vide fresh Certificate of Incorporation issued by Registrar of Companies, Chandigarh, dated February 27, 2014 pursuant to conversion of Company into Private Limited Company.

December 07, 2022	Name Clause	Change in name of the company from “ <i>Sharp Chucks and Machines Private Limited</i> ” to “ <i>Sharp Chucks and Machines Limited</i> ” vide fresh Certificate of Incorporation issued by Registrar of Companies, Chandigarh dated December 20, 2022 pursuant to conversion of Company into Public limited Company.
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## MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY

*The following tables set forth the major events and milestones in the history of our company:*

Financial Year	Major Events
1994	Incorporated as a Private Limited Company in the name and style of Sharp Garden Implements Private Limited
1995	Change of Name of Company from “Sharp Garden Implements Private Limited” to “Sharp Chucks and Machines Private Limited”
2004	Conversion of Company from private to public from “Sharp Chucks and Machines Private Limited” to “Sharp Chucks and Machines Limited”
2004	Amalgamation of Sharp Forgings Limited with our Company
2014	Conversion of Company from public to private from “Sharp Chucks and Machines Limited” to “Sharp Chucks and Machines Private Limited”
2014	Entered Subscription cum Shareholders agreement with SIDBI Venture Capital Limited
2022	Conversion of Company from private to public from “Sharp Chucks and Machines Private Limited” to “Sharp Chucks and Machines Limited”

*The following tables set forth the Key Awards, Achievements and Accolades in the history of our company:*

Financial Year	Key Awards, Achievements and Accolades
2009-10	Awarded the Best SCM Performance Award by Swaraj Division of Mahindra & Mahindra Ltd
2010-11	Awarded the Best SCM Performance Award by Swaraj Division of Mahindra & Mahindra Ltd
2012	<ul style="list-style-type: none"> <li>• Certified as an ISO 9001:2008 Company</li> <li>• Get Credit rating from NSIC CRISIL SE 2B for high performance capability and moderate financial strength</li> </ul>
2013	Awarded the Best supplier 2013 from Mahindra Rise
2014	<ul style="list-style-type: none"> <li>• Best Supplier 2014 Appreciation Award by Swaraj</li> </ul>
2021	<ul style="list-style-type: none"> <li>• Receipt of Quality Management System Certificate IATF 16949:2016 and ISO 9001:2015</li> <li>• Receipt of Social Accountability System Certificate SA 8000:2014</li> <li>• Excellent Performance in the field of Escorts Supplier Quality Systems Improvement Audit</li> </ul>

*Note: -The above awards, achievements and accolades were received in the name of “Sharp Chucks and Machines Private Limited”.*

## HOLDING / SUBSIDIARY COMPANY/ JOINT VENTURE AND ASSOCIATE COMPANY

As on the date of this Prospectus, our Company does not have a Holding / Subsidiary Company or any joint venture or any Associate.

## STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Prospectus.

## FINANCIAL PARTNERS

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Prospectus, our Company does not have any financial partners.

## TIME AND COST OVERRUN IN SETTING UP OF PROJECTS

As on the date of this Prospectus, there have been no instances of time and cost overruns in setting up of our projects.

## **CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS**

For details pertaining to capacity / facility creation, location of plant refers chapter titled “*Business Overview*” beginning on page 131 of this Prospectus.

## **DETAILS OF LAUNCH OF KEY SERVICES, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS**

For details pertaining to launch of key services, entry in new geographies or exit from existing markets, please refer chapter titled “*Business Overview*” on page 131 of this Prospectus.

## **DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS**

As on the date of this Prospectus, there have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks or conversion of loans into equity in relation to our Company.

## **ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS OR REVALUATION OF ASSETS**

Our Company has not acquired any material business or undertaken any divestments of business or undertaking or revaluation of assets in the last 10 years.

### **Details of Merger/Amalgamation**

Except mentioned below, there has been no merger/amalgamation pertaining to our Company in the last 10 (ten) year from the date of the Prospectus.

Issue of shares pursuant to scheme of merger between Sharp Forgings Limited with Sharp Chucks and Machines Private Limited as on April 26, 2004 of 33,801 Equity Shares of face value of Rs 100.00 /- each fully paid-up shares. For more details, please refer to the chapter titled “*Capital Structure*” on page 59 of this Prospectus.

## **SHAREHOLDERS AND OTHER MATERIAL AGREEMENTS**

Except as disclosed below, our Company has not entered into any other subsisting material agreements, other than in the ordinary course of business:

India Opportunities Fund (“IOF”), a scheme of SIDBI SME Venture Fund, a trust created under the provisions of Indian Trust Act, 1882, has been established with the main objective of providing venture capital assistance to primarily unlisted companies in the small and medium enterprise sector by investing in equity or equity-linked or mezzanine capital instruments and/or convertible or non-convertible debts of such companies.

SIDBI SME Venture Fund has appointed SIDBI Trustee Company Limited, a company incorporated under the Companies Act, 1956 and having its registered office at SIDBI, Swavalamban Bhavan, C-11, G Block, 2nd Floor, Bandra Kurla complex, Bandra (E), Mumbai - 400 051 as the trustee for IOF, hereinafter referred to as “SIDBI Trustee” (which expression shall, unless it be repugnant to the subject or context thereof, include its successors-in-interest and assigns) under the Indenture of Trust dated 23rd June 2004 (“Indenture of Trust”). In terms of the said Indenture of Trust, IOF will vest in the SIDBI Trustee, who shall hold the same upon trust for the benefit of the beneficiaries subject to the powers, provisions, agreements and declarations as contained therein.

In terms of the Investment Management Agreement dated 25th September 2010 (“Investment Management Agreement”) entered into between the SIDBI Trustee and SVCL, SVCL has been appointed to manage and administer IOF on the terms and conditions contained therein and has appointed, nominated and constituted SVCL as the true and lawful attorney of IOF and granted it all powers and privileges given to the SIDBI Trustee, to execute and perform all acts and deeds that are necessary for the management of IOF. Thus, SVCL has the necessary powers to subscribe to the Shares and OCDS for and on behalf of IOF and for this purpose SVCL enters into this Agreement as attorney and agent of IOF

Share subscription agreement dated April 22, 2014 entered into by our Company, Mr. Ajay Sikka & others (collectively, the “Parties” and such agreement, the “SSA”). Pursuant to the SSA, SIDBI Trustee Company Limited A/c India Opportunities Fund acting through the Investment Manager, SIDBI Venture Capital Limited (hereinafter referred to as “Investor”) subscribed to the equity shares of the Company and recorded the terms of subscription on which the Investors will subscribe to their respective shares. Up to 19,28,516 equity shares of ₹10/- each of the Company at a price of ₹ 38.89/-, so as to give the Investor upfront 19.71% holding in the Company assuming full disbursement, investment of up to ₹2.50 crore by promoters in Phase 1 and upto ₹ 1.95 crore in phase 2 and prior to conversion of OCDS. Up to

7,50,000 (10%) Optionally Convertible Debentures (OCDS) of ₹100/- each at par (amount not exceeding ₹ 7.5 crore). The phase 2 was not undertaken by the Company and no OCDs were issued.

The Selling Shareholder hereby provide its no objection through its consent letter dated June 28, 2023 with respect to the non-issuance of OCDS to the Company and waive the requirement detailed in clause 2.1 (2) (b) and other related provisions of the SSA.

The SSA confers certain rights to the Investor, including appointment of nominee director and certain reserved matters for which the Investors have affirmative voting rights. The SSA also provides certain restrictions on transfer of Equity Shares by the Promoters without the prior consent.

Pursuant to SSA clause, in the event our Company fails to make an IPO, the Investor will have the right to sell its holding in the Company along with attached rights to any third party.

## OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting. As on the date of filing this Prospectus, we have six Directors on our Board, of whom two are Independent Directors and one is woman Director. Our Company is in compliance with the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth details regarding our Board as of the date of this Prospectus

### A. BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Prospectus
<p><b>Ajay Sikka</b>  <b>Designation:</b> Managing Director and Chairman  <b>DIN:</b> 00665858  <b>Date of Birth:</b> July 19, 1968  <b>Age:</b> 55 years  <b>Occupation:</b> Business  <b>Address:</b> 148, Shakti Nagar, Jalandhar - I, Jalandhar, Punjab - 144001.  <b>Nationality:</b> Indian  <b>Period of Directorship:</b> Since February 01, 2004  <b>Current Term:</b> Re-appointed as Managing Director for a period of five years with effect from September 30, 2020</p>	<p><b>Private Limited Companies</b>                      Nil</p> <p><b>Public Limited Companies</b>                      Nil</p>
<p><b>Gopika Sikka</b>  <b>Designation:</b> Whole time Director and Chief Financial Officer  <b>DIN:</b> 00665904  <b>Date of Birth:</b> January 02, 1972  <b>Age:</b> 51 years  <b>Occupation:</b> Business  <b>Address:</b> 148, Shakti Nagar, Jalandhar - I, Jalandhar, Punjab - 144001.  <b>Nationality:</b> Indian  <b>Period of Directorship:</b> Since May 17, 2013  <b>Current Term:</b> Reappointed as Whole-Time Director for a period of five years with effect from May 16, 2023</p>	<p><b>Private Limited Companies</b>                      Nil</p> <p><b>Public Limited Companies</b>                      Nil</p>
<p><b>Avinash Joshi</b>  <b>Designation:</b> Non-Executive Director  <b>DIN:</b> 08801080  <b>Date of Birth:</b> July 05, 1959  <b>Age:</b> 64 years  <b>Occupation:</b> Professional  <b>Address:</b> Sudhashree, 1187, B, New Mahadwar Road, Kolhapur, Karvir, Kolhapur City, Kolhapur, Maharashtra - 416012.  <b>Nationality:</b> Indian  <b>Period of Directorship:</b> Since November 17, 2022  <b>Current term:</b> Liable to retire by rotation.</p>	<p><b>Private Limited Company</b>                      1. Icorp Technology Consulting Private Limited.</p> <p><b>Public Limited Companies</b>                      Nil</p>
<p><b>Rahul Sharma</b>  <b>Designation:</b> Non-Executive Director</p>	<p><b>Private Limited Companies</b>                      Nil</p>

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Prospectus
<b>DIN:</b> 09793480 <b>Date of Birth:</b> March 13, 1988 <b>Age:</b> 35 years <b>Occupation:</b> Professional <b>Address:</b> H. No. NC - 82, Kot Kishan Chand Industrial Town, Jalandhar - 144004, Punjab, India. <b>Nationality:</b> Indian <b>Period of Directorship:</b> November 17, 2022 <b>Current term:</b> Liable to retire by rotation.	<b>Public Limited Companies</b> Nil
<b>Suraj Singhal</b> <b>Designation:</b> Non-Executive Independent Director <b>DIN:</b> 09130650 <b>Date of Birth:</b> February 26, 1989 <b>Age:</b> 34 years <b>Occupation:</b> Professional <b>Address:</b> House No. 183, Kaka Nagar Mohalla, Gautampuri, Shamli, Muzaffarnagar, Uttar Pradesh - 247776 <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> <b>Period of Directorship:</b> April 15, 2023 <b>Current term:</b> Appointed for a period of five years w.e.f April 15, 2023, not liable to retire by rotation	<b>Public Limited Companies</b> 1. Containerway International Limited  <b>LLP</b> 1. S S S R & COMPANY LLP
<b>Manmohan Puri</b> <b>Designation:</b> Non-Executive Independent Director <b>DIN:</b> 10087749 <b>Date of Birth:</b> November 27, 1970 <b>Age:</b> 52 Years <b>Occupation:</b> Professional <b>Address:</b> <b>Nationality:</b> Indian <b>Period of Directorship:</b> Since April 15, 2023 <b>Current term:</b> Appointed for a period of five years w.e.f April 15, 2023, not liable to retire by rotation	NIL

#### Brief Biographies of our Directors

**Ajay Sikka** is the Chairman and Managing Director of the Board of our Company. He has been a Director of our Company since February 01, 2004. He holds a bachelor of degree in arts from Guru Nanak Dev University. He has an over 20 years of experience in the automobile components industry.

**Gopika Sikka** is the Whole Time Director and Chief Financial Officer of the Board of our Company. She has been a Director of our Company since May 17, 2013. She holds a bachelor of degree in commerce from Delhi University. She has an over 7 years of experience in handling human resources, training and development and administration. She looks over the human resource and responsible to implement welfare activities.

**Avinash Joshi** is a Non-Executive Director of the Board of our Company. He has been on the Board of our Company since November 17, 2022. He holds a advanced diploma in foundry technology and a diploma in business management. He has an over 30 years of experience in foundry technology.

**Rahul Sharma** is a Non- Executive Director of the Board of our Company. He has been on the Board of our Company since November 17, 2022. He holds a bachelor's degree in commerce from Himachal Pradesh University and is a fellow member of the Institute of Chartered Accountants of India. He has three years of experience in the fields of auditing and accounting.

**Suraj Singhal** is an Independent Director of our Company. He has been on the Board of our Company since April 15, 2023. He holds a bachelor’s degree in commerce from Chaudhary Charan Singh University Meerut University and is an associate member of the Institute of Chartered Accountants of India. He is designated partner in S S S R & Company LLP. He has over five years of experience in the fields of auditing and accounting. He is also appointed as additional director in Containerway International Limited on July 26, 2023.

**Manmohan Puri** is an Independent Director of our Company. He has been on the Board of our Company since April 15, 2023. He holds a bachelor’s degree in commerce from Guru Nanak Dev University and is an associate member of the Institute of Chartered Accountants of India. He is associated with firm M/s Puri & Gupta, Chartered Accountant. He has over twenty-five years of experience in the field of finance, accounting and taxation.

**Details of directorships in companies suspended or delisted**

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Prospectus, during the term of their directorship in such company.

Further, none of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

**Relationship between our Directors and Key Managerial Personnel**

Except as mentioned below, as on the date of this Prospectus, none of our Directors are related to each other or to any of our Key Managerial Personnel.

Director	Other Director	Relation
Ajay Sikka	Gopika Sikka	Spouse

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

Pursuant to the SSA, Mahendra Lodha was appointed as the nominee Director of SIDBI Venture Capital Limited (“SVCL”) w.e.f. March 09, 2015. However, on June 09, 2023, SVCL withdrew the nomination of Mahendra Lodha as Nominee Director from the Company. Except as stated above, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

For further details, please refer to chapter titled “*History and Certain Corporate Matters*” - – *Summary of Key Agreements and Shareholders* on page 159 of this Prospectus.

**Service contracts with Directors**

Our Company do not have any service contract with the Directors pursuant to which they are entitled to any benefits upon termination of employment.

**Borrowing Powers of the Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the members at the EGM of the Company held on December 07, 2022, pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made there under, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 50 crores.

**Terms of Appointment of our Directors**

**a) Terms of employment of our Executive Directors**

**Ajay Sikka**

Ajay Sikka was re- appointed as the Managing Director and Chairman of our Company pursuant to resolution passed by our Board on September 30, 2020 for a period of five years with effect from September 30, 2020. He receives

remuneration from our Company in accordance with the Board resolution dated September 30, 2020. The details of the remuneration that Ajay Sikka is entitled to and the other terms of his employment are enumerated below

-Monthly remuneration of ₹ 1.50 Lakhs; and

- perquisites and allowances including leave travel allowance, conveyance allowance, medical expenses, reimbursement of electricity and water expenses of his residence, mediclaim insurance policy as per the rules of our Company; provision with respect to car(s) including salary of driver for use on Company's business and other benefits including gratuity, contribution to provident fund, bonus, etc. as per the rules of our Company and/or as per statutory requirements

#### **Gopika Sikka**

Gopika Sikka was re- appointed as a Whole time Director of our Company pursuant to the resolution passed by our Board on March 28, 2023 and our Shareholders on April 15, 2023, for a period of five years with effect from May 16, 2023. She receives remuneration from our Company in accordance with the Board resolution dated on March 28, 2023 and our Shareholders on April 15, 2023. The details of the remuneration that Gopika Sikka is entitled to and the other terms of his employment are enumerated below:

-Monthly remuneration of ₹ 0.75 Lakhs; and

- perquisites and allowances including leave travel allowance, conveyance allowance, medical expenses, reimbursement of electricity and water expenses of her residence, Mediclaim insurance policy as per the rules of our Company; provision with respect to car(s) including salary of driver for use on Company's business and other benefits including gratuity, contribution to provident fund, bonus, etc. as per the rules of our Company and/or as per statutory requirements.

#### **b) Sitting fees and commission to Independent Directors**

Pursuant to resolutions of our Board each dated March 28,2023, our Independent Directors are entitled to receive sitting fees of ₹ 0.05 lakhs for attending each meeting of our Board and committees constituted of the Board. Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

Our Company has not entered into any contract appointing or fixing the remuneration of a Director, Whole-time Director, or manager in the two years preceding the date of this Prospectus.

#### **c) Terms of appointment of Nominee Directors**

Nominee Director are not entitled to receive any remuneration or sitting fees from our Company. On June 09, 2023, SVCL withdrew its Nominee Director from the Company w.e.f. from the same date.

#### **Payments or benefits to our Directors**

##### **a) Executive Directors**

The table below sets forth the details of the remuneration paid for the financial year 2022- 23:

<b>Name of the Directors</b>	<b>Remuneration for Financial year 2022-23(₹ in lakhs)</b>
Ajay Sikka	18.00
Gopika Sikka	9.00

##### **b) Non-Executive Director and Non-Executive Independent Director**

No remuneration was paid to our Non-Executive Independent Directors during the Financial year 2022-23. However, our Company had paid of ₹ 16.02 Lakhs as professional fees to Rahul Sharma, Non-Executive Director during the financial year 2022-23.

#### **Remuneration paid or payable to our Directors by our Subsidiaries**

As on the date of this Prospectus, we do not have any subsidiaries or associates.

#### **Contingent and deferred compensation payable to the Directors**

As on the date of this Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

### **Bonus or profit-sharing plan for our Directors**

Except as set out in “– *Terms of appointment of our Directors*” mentioned above, our Company does not have any performance linked bonus or a profit-sharing plan in which our Directors have participated.

### **Shareholding of Directors in our Company**

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Prospectus is set forth below:

<b>Name of Director</b>	<b>Number of Equity Shares</b>	<b>Percentage of Pre-Offer Capital (%)</b>
Ajay Sikka	49,33,740	50.42%
Gopika Sikka	17,84,620	18.24%
<b>Total</b>	<b>67,18,360</b>	<b>68.66%</b>

### **Confirmations**

None of our Directors have been or was identified as a wilful defaulter as defined under SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

None of the Directors are fugitive economic offender.

### **Interest of Directors**

All our Non-Executive Directors and Non-Executive Independent Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and the reimbursement of expenses payable to them, and commission as approved by our Board.

Our Executive Directors deemed to be interested to the extent of remuneration payable to each of them by our Company as Directors of our Company and any commission payable to them.

Our Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled “*Our Management - Shareholding of Directors in our Company*” on page 164 of this Prospectus.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business.

None of the relatives of the Directors have been appointed to an office or place of profit in our Company

As on the date of this Prospectus, except for Ajay Sikka and Gopika Sikka, who are the Promoters of our Company, none of our other Directors are interested in the promotion of our Company.

Except as stated in the chapter “*Business Overview*” on page 131 of this prospectus and in the chapter “*Restated Financial Statement*” on page 184 none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in “*Restated Financial Statement*” on page 184 and as disclosed in this section, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

### **Payment of benefits (non-salary related)**

Except as disclosed above, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our Directors except the remuneration for services rendered and/or sitting fees as Directors.

### Bonus or profit-sharing plan for the Directors

None of the Directors are party to any bonus or profit-sharing plan of our Company.

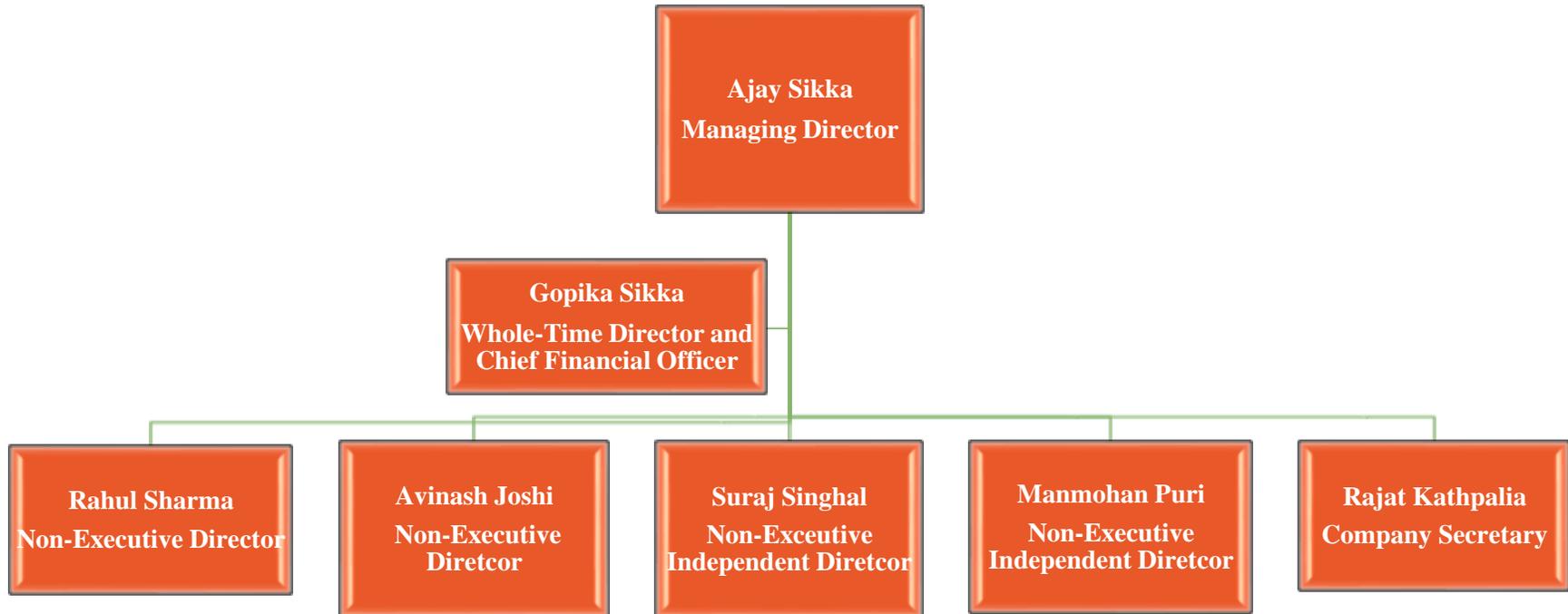
### Changes in the board of directors in the last three (3) years immediately preceding the date of this Prospectus.

There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of this Prospectus.

Sr. No.	Name	Date	Designation	Reason
1.	Ajay Sikka	September 30, 2020	Managing Director	Re-appointed as Managing Director
2.	Avinash Joshi	November 17, 2022	Additional Director	Appointment
3.	Rahul Sharma	November 17, 2022	Additional Director	Appointment
4.	Avinash Joshi	April 15, 2023	Non-Executive Director	Regularised as Non-Executive Director pursuant to a resolution passed by our Shareholders on April 15, 2023
5.	Rahul Sharma	April 15, 2023	Non-Executive Director	Regularised as Non-Executive Director pursuant to a resolution passed by our Shareholders on April 15, 2023
6.	Suraj Singhal	April 15, 2023	Independent Director	Appointed as Non-Executive Independent Director pursuant to a resolution passed by our Shareholders on April 15, 2023
7.	Manmohan Puri	April 15, 2023	Independent Director	Appointed as Non-Executive Independent Director pursuant to a resolution passed by our Shareholders on April 15, 2023
8.	Gopika Sikka	April 15, 2023	Whole-Time Director	Re-appointed as Whole-Time Director
9.	Mahendra Lodha	June 09, 2023	Nominee Director	Withdraw of nomination by SIDBI Venture Capital Limited

## MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:-



## Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the EMERGE platform of NSE (NSE EMERGE). The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, and Nomination and Remuneration Committees as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

### Committees of the Board of directors

Our Board of Directors presently has Four (4) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee (iv) Corporate Social Responsibility Committee

#### (i) Audit Committee

Our Company has constituted an Audit Committee as per Section 177 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable Clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines vide resolution passed in the meeting of our Board dated March 28, 2023. The constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
Manmohan Puri	Chairman	Non- Executive Independent Director
Suraj Singhal	Members	Non- Executive Independent Director
Rahul Sharma	Members	Non- Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

#### Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### Meetings of the Committee:

The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting.

#### Role and Powers

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

#### Role of Audit Committee

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer Document / Prospectus / Notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.

20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e., the whole-time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
7. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
8. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**(ii) Nomination and Remuneration Committee**

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on March 28, 2023. The Nomination and Remuneration Committee presently consists of the following Directors of the Board.

Name of Director	Position in the Committee	Designation
Manmohan Puri	Chairman	Non- Executive Independent Director
Suraj Singhal	Members	Non- Executive Independent Director
Rahul Sharma	Members	Non- Executive Director

**Tenure:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**Meetings:**

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**Role of Terms of Reference:**

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
9. Decide the amount of Commission payable to the Whole Time Directors;
  - Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
  - To formulate and administer the Employee Stock Option Scheme.

**(iii) Stakeholders Relationship Committee**

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated March 28, 2023. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

Name of Director	Position in the Committee	Designation
Rahul Sharma	Chairman	Non- Executive Director
Gopika Sikka	Members	Whole time director and chief financial officer
Manmohan Puri	Members	Non- Executive Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

**Tenure:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**Meetings:**

The Stakeholders Relationship Committee shall meet at least once in financial year. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

**Terms of Reference:**

Redressal of shareholders' and investors' complaints, including and in respect of:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
3. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**(iv) Corporate Social Responsibility Committee**

Our Company has constituted the Corporate Social Responsibility Committee as per Section read with the Rule 5 of Companies (Corporate Social Responsibility) Rules, 2014] ("the CSR Rules") (as amended) 135 and other applicable provisions of the Act and rules made thereunder vide board resolution dated March 28, 2023.

The Corporate Social Responsibility Committee presently consists of the following Directors of the Board:

<b>Name of Director</b>	<b>Designation in Committee</b>	<b>Nature of the Directorship</b>
Ajay Sikka	Chairman	Managing Director
Gopika Sikka	Members	Whole time director
Rahul Sharma	Members	Non- Executive Director

**Terms of Reference:**

1. Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on the CSR activities.
3. Approve Corporate Sustainability Reports and oversee the implementation of sustainability activities;
4. Monitor Company's compliance with the Corporate Governance Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be taken, as the Committee may deem appropriate;
5. Oversee the implementation of polices contained in the Business Responsibility Policy Manual and to make any changes / modifications, as may be required, from time to time and to review and recommend the Business Responsibility Report (BRR) to the Board for its approval;
6. Monitor CSR Policy of the Company from time to time;
7. Monitor the CSR activities undertaken by the Company;
8. Ensure compliance with the corporate governance norms prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other statutes or any modification or re-enactment thereof;

9. Advise the Board periodically with respect to significant developments in the law and practice of corporate governance and to make recommendations to the Board for appropriate revisions to the Company's Corporate Governance Guidelines;
10. Observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary;
11. Review and assess the adequacy of the Company's Corporate Governance Manual, Code of Conduct for Directors and Senior Management, the Code of Ethics and other internal policies and guidelines and monitor that the principles described therein are being incorporated into the Company's culture and business practices;
12. Formulate / approve codes and / or policies for better governance;
13. Provide correct inputs to the media so as to preserve and protect the Company's image and standing;
14. Disseminate factually correct information to investors, institutions and the public at large;
15. Establish oversight on important corporate communication on behalf of the Company with the assistance of consultants/ advisors, if necessary;
16. Ensure institution of standardized channels of internal communications across the Company to facilitate a high level of disciplined participation;
17. Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE EMERGE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Board of Directors at their meeting held on March 28, 2023 have approved and adopted the policy for prevention of insider trading.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

#### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on NSE EMERGE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the NSE EMERGE. The Board of Directors at their meeting held on March 28, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

*[The Remainder of this Page has intentionally been left blank]*

## **Our Key Managerial Personnel and Senior Managerial Personnel**

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

### **Brief Profile of Key Managerial Personnel:**

#### **Rajat Kathpalia, Company Secretary and Compliance Officer**

Rajat Kathpalia aged 36 years is Company Secretary and Compliance Officer of our Company. He was appointed by our Board of Directors in their meeting held on March 09, 2015. He is an Associate member of the Institute of Company Secretaries of India. He has an overall experience of more than 6 years in the field of secretarial and corporate affairs. He was paid a remuneration of ₹ 4.43 Lakhs by our Company in the Financial Year 2022-23. He was appointed as Compliance officer on March 28, 2023.

#### **Gopika Sikka, Whole-Time Director and Chief Financial Officer**

For the complete profile of Gopika Sikka, along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see chapter “*Our Management - Brief Biographies of our Directors*” on page 164 of this Prospectus

#### **Ajay Sikka, Managing Director**

For the complete profile of Ajay Sikka, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see chapter “*Our Management - Brief Biographies of our Directors*” on page 164 of this Prospectus

### **Senior Managerial Personnel**

Except as disclosed in “– Key Management Personnel” mentioned below, there are no other Senior Management in our Company as on the date of this Prospectus

### **Nature of any family relation between any of the key managerial personnel and Senior Managerial Personnel**

Except as mentioned below, as on the date of this Prospectus, none of our Key Managerial Personnel and Senior Managerial Personnel are related to each other:

<b>Director</b>	<b>Other Director</b>	<b>Relation</b>
Ajay Sikka	Gopika Sikka	Spouse

### **Arrangement or understanding with major shareholders, customers, suppliers or others to which our Key Managerial Personnel and Senior Management Personnel have been appointed as a Key Managerial Personnel and Senior Management Personnel**

As on the date of this Prospectus, none of our Key Management Personnel and Senior Management have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

### **Interest of Key Managerial Personnel and Senior Managerial Personnel**

Except as disclosed above in “Interest of Directors” with respect to the Managing director, Whole-time Directors and the personal guarantees given by our Key Managerial Personnel and Senior Management Personnel for securing our borrowings mentioned in “*Financial Indebtedness*” on page 223 of this Prospectus.

Our Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel.

Our Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares, if any, held by them in the Company.

### **Service Contracts with Directors and Key Managerial Personnel**

No officer of our Company, including our Directors and the Key Managerial Personnel and Senior Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment or superannuation, other than statutory benefits.

### **Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

There is no contingent or deferred compensation accrued for Financial Year, 2023 and payable to our Directors and Key Managerial Personnel and Senior Management Personnel which does not form a part of their remuneration.

### **Bonus or profit-sharing plan for Key Managerial Personnel and Senior Management Personnel**

None of the Key Management Personnel and Senior Management Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

### **Status of Permanent Employment of KMPs and Senior Management Personnel**

All the key managerial personnel mentioned above are permanent employees of our Company.

### **Shareholding of the Key Managerial Personnel and Senior Management Personnel**

None of our Key Managerial Personnel except, Ajay Sikka and Gopika Sikka who holds Equity Shares in our Company as on the date of filing of this Prospectus. For further details, please refer to chapter titled “*Capital Structure*” beginning on page 59 of this Prospectus.

### **Changes in Key Managerial Personnel during preceding Three (3) Years**

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three (3) years preceding the date of this Prospectus:

<b>Name of KMP</b>	<b>Date of Change In Designation / Appointment</b>	<b>Designation</b>	<b>Reason</b>
Ajay Sikka	September 30, 2020	Managing Director	Re-appointment
Gopika Sikka	April 15, 2023	Chief Financial Officer	Appointment
Rajat Kathpalia	March 28, 2023	Compliance Officer	Appointment

### **Attrition of Key Managerial Personnel and Senior Management Personnel**

None of our key management personnel attrition rate is high as compared to the industry.

### **Employees Stock Option or Employee Stock Purchase Scheme**

As on date of this Prospectus, our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Prospectus.

### **Payment of Benefits to of Our KMPs and Senior Management Personnel (*non-salary related*)**

Except as disclosed in this Prospectus other than any statutory payments made by our Company to its KMPs in last three (3) Preceding Financial Years, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees.

For further details, please refer chapter titled ‘*Restated Financial Statement*’ beginning on page 184 of this Prospectus

## OUR PROMOTERS AND PROMOTERS GROUP

### OUR PROMOTERS

The Promoters of our Company are Ajay Sikka and Gopika Sikka

As on the date of this Prospectus, our Promoters holds in aggregate 67,18,360 Equity Shares of face value ₹ 10.00/- each, representing 68.66% of the issued, subscribed and paid-up Equity Share Capital of our Company.

### BRIEF PROFILE OF OUR PROMOTERS ARE AS FOLLOWS:

	<p><b>Ajay Sikka</b>, aged 55 years. He is the Promoter and Managing Director of the Company.</p> <p><b>Address:</b> 148, Shakti Nagar, Jalandhar - I, Jalandhar, Punjab - 144001.</p> <p><b>Date of Birth:</b> July 19, 1968</p> <p>For the complete profile of Ajay Sikka i.e.; his educational qualifications, professional experience, positions / posts held in the past and other directorships, special achievements, business and other activities, see “<i>Our Management</i>” on page 164 of this Prospectus.</p> <p>His PAN is ABLPS8490A</p>
	<p><b>Gopika Sikka</b>, aged 51 years. She is the Promoter and Whole Time Director of the Company.</p> <p><b>Address:</b> 148, Shakti Nagar, Jalandhar - I, Jalandhar, Punjab – 144001.</p> <p><b>Date of Birth:</b> January 02, 1972</p> <p>For the complete profile of Gopika Sikka i.e.; her educational qualifications, professional experience, positions / posts held in the past and other directorships, special achievements, business, and other activities, see “<i>Our Management</i>” on page 164 of this Prospectus.</p> <p>Her PAN is ABNPS8215K</p>

### DECLARATION

Our Company confirms that the Permanent Account Number (PAN), Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number(s) of our Promoters shall be submitted to NSE EMERGE at the time of filing this Prospectus.

### OTHER VENTURES OF OUR PROMOTERS

Other than as disclosed in this chapters “*Our Promoters and Promoters Group*” and “*Our Group Companies*” on page 179 and 183 respectively, our promoters are not involved in any other ventures.

## CHANGE IN MANAGEMENT AND CONTROL OF OUR COMPANY

While there has not been any change in the control of our Company during the five years preceding the date of this Prospectus, Ajay Sikka and Gopika Sikka have been identified as promoters of our Company pursuant to a resolution passed by our Board on March 28, 2023. For further details of acquisition of Equity Shares by our Promoters, please see “Capital Structure – Build-up of the Promoters’ shareholding in our Company” on page 59 of this Prospectus.

### INTEREST OF PROMOTERS

#### Interest in Promotion of our Company

Our Company is promoted by Ajay Sikka and Gopika Sikka who holds 49,33,740 Equity shares and 17,84,620 Equity Shares respectively of our Company as of the date of this Prospectus.

Our Promoters is interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings in our Company and the shareholding of their relatives in our Company and employment related benefits paid by our Company i.e., remuneration and reimbursement of expenses payable to them in such capacities. For further details, please see chapter titled “**Capital Structure**” and “**Management**” beginning on pages 59 and 164 respectively of this Prospectus.

Our Promoters are also interested in our Company to the extent of being Directors of our Company and the remuneration and reimbursement of expenses payable to them in such capacities.

Our Promoters may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company and also to the extent of unsecured loans.

No sum has been paid or agreed to be paid to our Promoters and our Promoters are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Further, our Promoters are also directors on the boards, or are shareholders, members, or partners, of certain entities forming part of the Promoters Group, Group Company, and other entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to such entities forming part of the Promoters Group, Group Company and such other entities. For the payments that are made by our Company to certain entities forming part of the Promoters Group, Group Company and other related parties, see “**Summary Offer Document - Summary of Related Party Transactions**” and “**Our Group Company**” page number 17 & 183 respectively.

Our Promoters are not interested in any transaction in acquisition of land, construction of building or supply of machinery.

For further details regarding the payments made by our Company to the entities mentioned above, please see chapter titled “**Summary Offer Documents - Summary of Related Party Transactions**” on page 17 of this Prospectus.

For further details, please see chapter titled “**Capital Structure**,” “**Restated Financial Statement**” and “**Our Management**” on pages, 59, 184 and 164 respectively of this Prospectus.

#### Interest in the properties of our Company

Except as mentioned in the chapter titled “**Business Overview**” and in the chapter titled “**Restated Financial Statement**” on page 131 and 184 respectively of this Prospectus, none of our Promoters and members of Promoters Group have any interest in any property acquired by or proposed to be acquired by our Company during a period of three (3) years prior to filing of the Prospectus.

Our Promoter has provided a property to utilize as Registration Office of our Company on rent free basis.

#### Other Interest

Except as mentioned in the chapter titled “**Restated Financial Statements**,” and “**Business Overview**” on page 131 and 184 respectively our Promoters are not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the

Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Further, our Promoters and some members of Promoter Group are on the board of the Company and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoters, members of promoters group and Group Companies.

#### **INTEREST OF DIRECTORS**

For further details please refer chapter **“Our Management”** on page 164 of this Prospectus.

#### **INTEREST OF GROUP COMPANY**

For further details please refer chapter **“Our Group Companies”** on page 183 of this Prospectus.

#### **PAYMENT OR BENEFITS TO OUR PROMOTERS AND PROMOTERS GROUP DURING THE LAST TWO YEARS**

Except in the ordinary course of business and as stated in chapter **“Restated Financial Statements”** beginning on page 184 of this Prospectus, there has been no payment or benefits to our Promoters during the two (2) years preceding the date of filing of this Prospectus, nor there is any intention to pay or give any benefit to our Promoters and Promoters Group as on the date of this Prospectus.

#### **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please see chapter titled **“Business Overview”** and **“Our Management”** on page no. 131 and 164 respectively of this Prospectus.

#### **RELATED PARTY TRANSACTIONS**

For the transactions with our Group companies, please refer to chapter titled **“Restated Financial Statement - Annexure – Annexure VII - Related Party Transactions”** on page 184 of this Prospectus.

#### **LITIGATION INVOLVING OUR PROMOTERS**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled **“Outstanding Litigation and Material Developments”** on page 228 of this Prospectus.

#### **Material Guarantees given by our Promoters with respect to the Equity Shares**

Our Promoters have not given any material guarantee to any third party in respect of the Equity Shares, as of the date of this Prospectus.

#### **COMPANIES WITH WHICH OUR PROMOTERS HAS DISASSOCIATED IN THE LAST THREE (3) YEARS**

Our Promoters has not disassociated himself from any firms or companies in the last three (3) years preceding this Prospectus.

#### **OUR PROMOTERS GROUP**

Our Promoters Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, are as under:

- A. *The natural persons who are part of the Promoters Group (due to their relationships with our Promoters), other than our Promoters, are as follows:*

<b>Relationship With Promoters</b>	<b>Ajay Sikka</b>	<b>Gopika Sikka</b>
<b>Father</b>	Late Ram Parkash Sikka	Jatinder Kumar
<b>Mother</b>	Late Ramesh Rani	Veena Kumar
<b>Brother</b>	-NA	Gaurav Kumar
<b>Sister</b>	<ul style="list-style-type: none"> <li>• Suman Bala,</li> <li>• Saroj Arora,</li> <li>• Sushma Kakria,</li> <li>• Renu Malhotra,</li> </ul>	-NA

Relationship With Promoters	Ajay Sikka	Gopika Sikka
	<ul style="list-style-type: none"> <li>Pallavi Walia</li> </ul>	
<b>Spouse</b>	Gopika Sikka	Ajay Sikka
<b>Son</b>	Arav Sikka Aryan Sikka	Arav Sikka Aryan Sikka
<b>Daughter</b>	-NA	NA
<b>Spouse's Father</b>	Jatinder Kumar	Late Ram Parkash Sikka
<b>Spouse's Mother</b>	Veena Kumar	Late Ramesh Rani
<b>Spouse's Brother</b>	Gaurav Kumar	-NA
<b>Spouse's Sister</b>	NA	<ul style="list-style-type: none"> <li>Suman Bala,</li> <li>Saroj Arora,</li> <li>Sushma Kakria,</li> <li>Renu Malhotra,</li> <li>Pallavi Walia</li> </ul>

**B. Our Promoters Group as defined under Regulation 2(1)(pp) of SEBI ICDR Regulations, 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoters Group are as follows:**

1. M/s Ajay Sikka HUF

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies of our Company, for the purpose of disclosure in this Prospectus, shall include:

- (1) such companies (other than the Subsidiaries of our Company) with which there were related party transactions, during the period for which Restated Financial Statement has been disclosed in this Prospectus;
- (2) any other companies considered material by the Board.

Accordingly, for (1) above, all such companies (other than the Promoters) with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as ‘Group Companies’ of the Company in terms of the SEBI ICDR Regulations.

With respect to point (2) above, for the purpose of disclosure in this Prospectus, the Board in its meeting held on March 28, 2023 has considered and adopted the Materiality Policy for, amongst others, the identification of companies that shall be considered material and disclosed as a ‘group company’ in this Prospectus. In terms of the Materiality Policy, a company (other than the companies covered under the schedule of related party transactions) shall be considered “material” and will be disclosed as a ‘Group Company’ in this Prospectus and has entered into one or more related party transactions during the period after the last completed financial year and the stub period, if any, which individually or in the aggregate, exceeds 10% of the total revenue of the Company for the last completed Financial as per the Restated Financial Statements.

Accordingly, based on the parameters outlined above, as on the date of this Prospectus, our Company does not have any group companies.

**SECTION VI: FINANCIAL STATEMENTS**  
**RESTATED FINANCIAL STATEMENT**

*[The Remainder of this Page has intentionally been left blank]*

## INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL INFORMATION

To,

The Board of Directors,  
Sharp Chucks and Machines Limited  
(Formerly known as Sharp Chucks and Machines Private Limited),  
Jalandhar, India.

Dear Sirs,

1. We have examined the attached Restated Financial Statements of Sharp Chucks and Machines Limited (Formerly known as Sharp Chucks and Machines Private Limited), comprising the Restated Statement of Assets and Liabilities for the year ended March 31, 2023, as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the year ended 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and March 31, 2021 respectively, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 16, 2023 for the purpose of inclusion in the Draft Prospectus/ Prospectus ("Draft Prospectus/Prospectus") prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Chandigarh in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 14<sup>th</sup> December, 2022 in connection with the proposed IPO of the Company;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 which has been approved by the Board of Directors. The financial statements of the Company for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 is audited by other Auditor.
5. The audit report on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021: -
  - a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial period to which they relate and there are no qualifications which require adjustments;
  - c) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - d) There were no qualifications in the Audit Report issued by the Other Statutory Auditors for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively which would require adjustments in this Restated Financial Statements of the Company except the company was required to spend the amount of Rs. 10.49 Lakhs on corporate social responsibility activities for the year ended 31<sup>st</sup> March, 2023 but is still unspent.
  - e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this report;

- f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
  - g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
  - h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement
  - i) The Company has not paid any dividend since its incorporation.
6. In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
- a) The “Restated Statement of Assets and Liabilities” as set out in ANNEXURE – I to this report, of the Company as at March 31, 2023, March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.
  - b) The “Restated Statement of Profit and Loss” as set out in ANNEXURE – II to this report, of the Company for the year ended - March 31, 2023, March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.
  - c) The “Restated Statement of Cash Flow” as set out in ANNEXURE – III to this report, of the Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.
7. For the purpose of our examination, we have relied on:
- a) Auditors’ reports issued by others dated September 07, 2023, September 19, 2022 and November 30, 2021 on the financial statements of the Company as at for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively as referred in Paragraph 5 above;

8. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information have been prepared:
- a) after incorporating adjustments for the changes in prior period items, accounting policies and regrouping/reclassifications retrospectively, if any in the financial year ended March 31, 2023, March 31, 2022 and March 31 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
  - b) in accordance with the Act, ICDR Regulations and the Guidance Note.
9. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure IV, prepared by the management and approved by the Board of Directors on September 16,2023 for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.
- a) Restated Statement of Share Capital, Reserves and Surplus as appearing in Note 3 and 4 to this report;
  - b) Restated Statement of Long-term borrowings as appearing in Note 5 to this report
  - c) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note 6 to this report;
  - d) Restated Statement of Long-term provisions as appearing in Note 7 to this report;
  - e) Restated Statement of Short-term borrowings as appearing in Note 8 to this report;
  - f) Restated Statement of current maturity of long-term borrowings as appearing in Note 9 to this report;
  - g) Restated Statement of Trade Payables as appearing in Note 10 to this report;
  - h) Restated Statement of Other Current Liabilities as appearing in Note 11 to this report;
  - i) Restated Statement of Short-Term Provisions as appearing in Note 12 to this report;
  - j) Restated Statement of Property Plant & Equipment: Tangible Asset as appearing in Note 13 to this report;
  - k) Restated Statement of Property Plant & Equipment: Intangible Asset as appearing in Note 14 to this report;
  - l) Restated Statement of Capital Work in Progress including Intangible assets under development as appearing in Note 15 to this report;
  - m) Restated Statement of Long-term loans and advances as appearing in Note 16 to this report;
  - n) Restated Statement of Other non-current assets as appearing in Note 17 to this report;
  - o) Restated Statement of Inventories as appearing in Note 18 to this report;
  - p) Restated Statement of Trade Receivables as appearing in Note 19 to this report;
  - q) Restated Statement of Cash and Cash Equivalents as appearing in Note 20 to this report;
  - r) Restated Statement of Short-term loans and advances as appearing in Note 21 to this report

- s) Restated Statement of Other Current Assets as appearing in Note 22 to this report;
  - t) Restated Statement of Revenue from Operations as appearing in Note 23 to this report;
  - u) Restated Statement of Other Income as appearing in Note 24 to this report;
  - v) Restated Statement of Direct Expenses as appearing in Note 25 to this report;
  - w) Restated Statement of changes in Inventories as appearing in Note 26 to this report
  - x) Restated Statement of Employee Benefit Expenses as appearing in Note 27 to this report;
  - y) Restated Statement of Finance Cost as appearing in Note 28 to this report;
  - z) Restated Statement of Depreciation & Amortization as appearing in Note 13 to this report;
  - aa) Restated Statement of Other Expenses as appearing in Note 29 to this report;
  - bb) Restated Statement of Adjustments to Restated Statements appearing in Annexure V to this report;
  - cc) Restated Statement of Contingent Liabilities as appearing in Annexure VI to this report;
  - dd) Restated Statement of Related Party Transactions as appearing in Note Annexure VII to this report;
  - ee) Restated Statement of Mandatory Accounting Ratios as appearing in Note Annexure VIII to this report;
  - ff) Capitalization Statement as appearing in Annexure IX to this report;
  - gg) Restated Statement of Tax Shelter as appearing in Annexure X to this report;
  - hh) Restated Statement of financials indebtedness as appearing in Annexure XI to this report
10. We, **JMR & Associates LLP** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and holds the peer review certificate dated 28 September 2022 valid till 31 May 2025.
11. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.
12. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
13. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.



15. In our opinion, the above financial information contained in Annexure I to Annexure XI of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.
16. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Chandigarh in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For JMR & Associates LLP**  
**Chartered Accountants**  
**Firm Registration No. 106912W / W100300**

**Sd/-**  
**CA. Nikesh Jain**  
**Partner**  
**M. No. 114003**  
**UDIN: 23114003BGSCMT5623**  
**Place: Mumbai**  
**Date: September 16,2023**

SHARP CHUCKS AND MACHINES LIMITED				
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )				
ANNEXURE- I RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES				
(INR in Lakhs)				
Particulars	Note No.	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	3	978.43	978.43	978.43
(b) Reserves and surplus	4	4,256.36	3,749.86	3,297.24
		<b>5,234.79</b>	<b>4,728.29</b>	<b>4,275.67</b>
<b>2 Non-current Liabilities</b>				
(a) Long-term borrowings	5	3,080.04	2,739.60	1,974.31
(b) Deferred tax liabilities (Net)	6	594.14	472.05	391.79
(c) Other non current liabilities		-	-	-
(d) Long-term provisions	7	87.84	73.81	65.58
		<b>3,762.02</b>	<b>3,285.46</b>	<b>2,431.68</b>
<b>3 Current Liabilities</b>				
(a) Short term borrowings	8	5,042.76	5,313.23	3,631.04
(b) Current maturity of long term borrowings	9	911.40	2,216.52	700.02
(c) Trade payables	10	2,319.07	2,313.40	1,793.04
(d) Other current liabilities	11	592.85	417.81	476.33
(e) Short-term provisions	12	140.69	117.38	90.20
		<b>9,006.77</b>	<b>10,378.34</b>	<b>6,690.63</b>
<b>TOTAL</b>		<b>18,003.58</b>	<b>18,392.09</b>	<b>13,397.98</b>
<b>II. ASSETS</b>				
<b>1 Non-Current Assets</b>				
<b>(a) Fixed Assets</b>				
<b>(I) Tangible assets (A-B)</b>				
(i) Gross block	13	10,662.57	9,109.45	7,742.02
(ii) Less: Depreciation		3,367.87	2,813.88	2,346.09
(iii) Net block		7,294.70	6,295.57	5,395.93
<b>(II) Intangible assets</b>	14	0.80	4.59	6.06
<b>(III) Capital work in progress incl intangible assets under development</b>	15	390.04	52.44	50.63
(b) Non current Investments		-	-	-
(c) Long-term loans and advances	16	40.85	166.76	28.37
(d) Other non current assets	17	327.95	266.51	210.30
		<b>8,054.34</b>	<b>6,785.87</b>	<b>5,691.29</b>
<b>2 Current Assets</b>				
(a) Inventory	18	6,464.69	5,091.49	5,193.83
(b) Trade receivables	19	2,910.07	3,359.20	2,133.91
(c) Cash and bank balances	20	135.90	2,605.70	88.58
(d) Short-term loans and advances	21	438.58	497.28	286.75
(e) Other current assets	22	-	52.55	3.62
		<b>9,949.24</b>	<b>11,606.22</b>	<b>7,706.69</b>
<b>TOTAL</b>		<b>18,003.58</b>	<b>18,392.09</b>	<b>13,397.98</b>
<b>Significant accounting policies</b>	<b>2</b>			
<b>The accompanying notes are an integral part of the financial statements</b>				
<b>As per our report of even date attached</b> <b>For JMR &amp; Associates LLP</b> <b>Chartered Accountants</b> <b>FRN:106912W/W100300</b>		<b>For and on Behalf of the Board</b> <b>Sharp Chucks And Machines Limited</b>		
<b>Sd/-</b> <b>CA. Nikesh Jain</b> <b>(Partner)</b> <b>M No.114003</b>	<b>Sd/-</b> <b>Ajay Sikka</b> <b>Managing Directo</b> <b>DIN: 00665858</b>	<b>Sd/-</b> <b>Gopika Sikka</b> <b>Director</b> <b>DIN: 00665904</b>	<b>Sd/-</b> <b>Rajat Kathpalia</b> <b>Company Secretary</b> <b>Reg No :36236</b>	
<b>UDIN: 23114003BGSCMT5623</b> <b>Place : Mumbai</b> <b>Date : September 16,2023</b>		<b>Place: Jalandhar</b> <b>Date : September 16,2023</b>		

**SHARP CHUCKS AND MACHINES LIMITED**

(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

**ANNEXURE- II RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS**

(INR in Lakhs)

Sr. No.	Particulars	Note No.	For the year ended		
			31-03-2023	31-03-2022	31-03-2021
<b>Continuing Operations</b>					
I.	Revenue from operations	23	17,644.97	15,190.78	13,545.94
II.	Other Income	24	286.48	61.45	37.17
III.	<b>Total Revenue (I + II)</b>		<b>17,931.45</b>	<b>15,252.23</b>	<b>13,583.11</b>
<b>IV. EXPENSES</b>					
	(a) Direct expenses	25	14,863.97	12,133.12	10,878.29
	(b) Changes in inventory	26	(1,197.58)	(200.85)	(70.89)
	(c) Employee benefit cost	27	1,306.17	932.89	660.35
	(c) Finance costs	28	853.45	659.48	641.25
	(d) Depreciation and amortisation expense	13	568.63	471.69	397.04
	(e) Other expenses	29	820.08	615.20	606.17
	<b>Total Expenses</b>		<b>17,214.72</b>	<b>14,611.53</b>	<b>13,112.21</b>
V.	<b>Profit/(loss) before exceptional &amp; extra ordinary items and tax (III - IV)</b>		<b>716.73</b>	<b>640.70</b>	<b>470.90</b>
VI.	<b>Exceptional items</b>		-	-	-
VII.	<b>Profit/(Loss) Before Tax (V - VI)</b>		<b>716.73</b>	<b>640.70</b>	<b>470.90</b>
<b>VIII. Tax expense</b>					
	(1) Current tax		123.95	113.11	85.00
	(2) Deferred tax charge / (credit)		122.09	80.26	40.87
	(3) Short / (Excess) provision for tax earlier year		0.03	0.73	-
	(4) MAT utilised / (credit) entitlement		(35.84)	(6.02)	14.07
	<b>Total tax expense</b>		<b>210.23</b>	<b>188.08</b>	<b>139.94</b>
IX.	<b>Profit/(loss) after tax (VII - VIII)</b>		<b>506.50</b>	<b>452.62</b>	<b>330.96</b>
<b>XV. Earnings per equity share (for continuing operation):</b>					
	(1) Basic		<b>5.18</b>	<b>4.63</b>	<b>3.38</b>
	(2) Diluted		<b>5.18</b>	<b>4.63</b>	<b>3.38</b>
<b>Significant accounting policies</b>		<b>2</b>			
<b>The accompanying notes are an integral part of the financial statements</b>					

For and on behalf of the Board of Directors  
Sharp Chucks and Machines Limited

Sd/-  
CA. Nikesh Jain  
(Partner)  
M No.114003

Sd/-  
Ajay Sikka  
Managing Director  
DIN: 00665858

Sd/-  
Gopika Sikka  
Director  
DIN: 00665904

Sd/-  
Rajat Kathpalia  
Company Secretary  
Reg No :36236

UDIN: 23114003BGSCMT5623

Place : Mumbai

Date : September 16,2023

Place: Jalandhar

Date : September 16,2023

SHARP CHUCKS AND MACHINES LIMITED				
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )				
ANNEXURE- III: RESTATED CASH FLOW STATEMENT				
(INR in Lakhs)				
Sr. No.	Particulars	As at 31st March		
		2023	2022	2021
<b>A.</b>	<b>Cash flow from Operating Activities</b>			
	Profit before tax for the year	716.73	640.70	470.90
	Adjustments for :			
	Add-Depreciation	568.63	471.69	397.04
	Add-Foreign exchange loss	(19.89)	(2.95)	(1.70)
	Add-Finance Cost	853.45	659.48	641.25
	Less-Interest Income	(10.30)	(9.60)	(8.75)
	Less : Profit/loss on Sale of Asset	(1.11)	0.40	-
	<b>Operating Income Before Working Capital Movement in working capital :</b>	<b>2,107.51</b>	<b>1,759.72</b>	<b>1,498.74</b>
	(Decrease)/Increase in Other Current liability	175.04	(58.52)	70.18
	(Decrease)/Increase in Long Term Loans	125.91	(138.39)	(16.67)
	(Decrease)/Increase in Trade Payables	5.67	520.36	(562.76)
	(Decrease)/Increase in Long Term Provisions	14.03	8.23	5.19
	(Decrease)/Increase in Short Term Provision	12.36	(0.93)	(1.42)
	Decrease/(Increase) in Other Current Assets	52.55	(48.93)	3.62
	Decrease/(Increase) in Other Non-Current Assets	(61.44)	(56.21)	(30.45)
	Decrease/(Increase) in Trade Receivables	469.02	(1,222.34)	3.78
	Decrease/(Increase) in Short Term Loans and Advances	90.84	(189.60)	43.14
	Decrease/(Increase) in Inventory	(1,373.20)	102.34	(282.31)
	<b>Operating Income After Working Capital</b>	<b>(489.22)</b>	<b>(1,083.99)</b>	<b>(767.70)</b>
	Income taxes (paid) / refund	(109.33)	(100.64)	(67.75)
<b>A.</b>	<b>Net cash generated by operating activities</b>	<b>1,508.96</b>	<b>575.09</b>	<b>663.29</b>
<b>B.</b>	<b>Cash flow from Investing Activities</b>			
	(Purchase)/Sale of Tangible Assets	-1562.86	(1,368.11)	(1,025.32)
	(Purchase)/Sale of Capital Work in Progress	-337.6	(1.81)	(21.12)
	(Purchase)/Sale of intangible Assets	(0.00)	(2.15)	-
	Interest received/(Paid)	10.30	9.60	8.75
	<b>Net cash (used in)/generated by investing activities</b>	<b>(1,890.16)</b>	<b>(1,362.47)</b>	<b>(1,037.69)</b>
<b>C.</b>	<b>Cash Flow From Financing Activities</b>			
	(Decrease)/Increase in Long term Borrowings (net)	340.44	765.29	714.03
	(Decrease)/Increase in Short Term Borrowings (net)	-270.47	1,682.19	(121.26)
	(Decrease)/Increase in Current Maturities of Long Term Borrowings (net)	-1305.12	1,516.50	427.82
	Interest Paid	(853.45)	(659.48)	(641.25)
	<b>Net cash used in financing activities</b>	<b>(2,088.60)</b>	<b>3,304.50</b>	<b>379.34</b>
	<b>Net increase in cash and cash equivalents</b>	<b>(2,469.80)</b>	<b>2,517.12</b>	<b>4.94</b>
	Cash and cash equivalents at the beginning of the year	2,605.70	88.58	83.64
	Effect of exchange differences on cash & cash equivalents held in foreign currency			
	<b>Cash and Cash Equivalents at the End of the Year</b>	<b>135.90</b>	<b>2,605.70</b>	<b>88.58</b>
	<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>			
	Cash in hand	89.69	2,528.52	4.60
	<b>Balance with Bank</b>			
	In current account	18.03	28.21	60.85
	Fixed deposits with bank	28.18	48.97	23.13
	<b>Balance as per statement of cash flows</b>	<b>135.90</b>	<b>2,605.70</b>	<b>88.58</b>
As per our report of even date attached For JMR & Associates LLP Chartered Accountants FRN:106912W/W100300		For and on behalf of the Board of Directors Sharp Chucks and Machines Limited		
Sd/- CA. Nikesh Jain Partner M No.114003		Sd/- Ajay Sikka Managing Director DIN: 00665858	Sd/- Gopika Sikka Director DIN: 00665904	Sd/- Rajat Kathpalia Company Secretary Reg No :36236
UDIN: 23114003BGSCMT5623 Place : Mumbai Date : September 16,2023		Place: Jalandhar Date : September 16,2023		

**SHARP CHUCKS AND MACHINES LIMITED**  
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

**ANNEXURE- IV : RESTATED NOTES TO FINANCIAL STATEMENTS**

3

**RESTATED STANDALONE STATEMENT OF SHARE CAPITAL**

(INR in Lakhs)

Particular	As at 31st March		
	2023	2022	2021
<b>Authorised :</b>			
1,20,00,000 (previous year 1,10,00,000) Equity Shares of Rs.10/-each	1,200.00	1,100.00	1,100.00
<b>Issued, Subscribed &amp; Paid-up :</b>			
Issued Subscribed & Paid up 97,84,308 (previous year 97,84,308) Equity shares of Rs 10/- each fully paid-up	978.43	978.43	978.43
<b>Total</b>	<b>978.43</b>	<b>978.43</b>	<b>978.43</b>

**Notes :**

**Rights, preferences, restrictions of Equity Shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

In addition, a Subscription-cum-Shareholders Agreement was executed on April 22, 2014 between Company, Promoters, Other Shareholders and SIDBI Venture Capital Limited with terms and conditions of the investment.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ANNEXURE- IV : RESTATED NOTES TO FINANCIAL STATEMENTS

4 **Restated Reserve and Surplus** (INR in Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
<b>Surplus/(Deficit) in the Statement of Profit &amp; Loss</b>			
Opening Balance	2,784.58	2,351.96	2,041.00
Profit for the year	506.50	452.62	330.96
Mat Credit of earlier years	-	-	-
Less : Transfer to General Reserve	(20.00)	(20.00)	(20.00)
<b>Total</b>	<b>3,271.08</b>	<b>2,784.58</b>	<b>2,351.96</b>
<b>General Reserve</b>			
Opening balance	203.00	183.00	163.00
Add: Additions during the year	20.00	20.00	20.00
<b>Total</b>	<b>223.00</b>	<b>203.00</b>	<b>183.00</b>
<b>Securities Premium</b>			
Opening balance	742.86	742.86	742.86
Add : Received on Issue of Right Shares	-	-	-
<b>Total</b>	<b>742.86</b>	<b>742.86</b>	<b>742.86</b>
<b>Capital Subsidy</b>			
Opening balance	19.42	19.42	19.42
Add: Additions during the year	-	-	-
<b>Total</b>	<b>19.42</b>	<b>19.42</b>	<b>19.42</b>
<b>Closing Balance - Total</b>	<b>4,256.36</b>	<b>3,749.86</b>	<b>3,297.24</b>

5 **Restated Long Term Borrowings** (INR in Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
<b>Secured Loans :</b>			
-Term Loans from Banks	2,629.26	4,484.92	2,452.11
-Term Loan from Financial Institutions	545.86	142.98	-
Less :- Current Maturities of long term borrowing			
-Term Loans from Banks	654.24	2,189.71	700.02
-Term Loan from Financial Institutions	257.16	26.81	-
-Other Loans from Banks	-	-	-
<b>Total</b>	<b>2,263.72</b>	<b>2,411.38</b>	<b>1,752.09</b>
<b>Unsecured Loans :</b>			
From Directors	216.32	228.22	122.22
institutions	100.00	100.00	100.00
Term Loan from Financial Institutions	500.00	-	-
<b>Total</b>	<b>816.32</b>	<b>328.22</b>	<b>222.22</b>
<b>Total</b>	<b>3,080.04</b>	<b>2,739.60</b>	<b>1,974.31</b>

**Term Loans from Canara Bank :-**

i. Properties at A-12, Industrial Development Colony, Jalandhar and House no-148 Shakti Nagar Jalandhar owned by Mr. Ajay Sikka; and Mrs Gopika Sikka

ii. Properties at A-10, A-11, A-13, A-17, A-18 A-20 A-21, A-22, A-23 and A-26, Industrial Development Colony, Jalandhar owned by the Company; and Property at Hanbast no 325 Khewat Khatoni Village Sura, Jalandhar owned by the Company.

**Term Loans from Axis Bank :-**

Collateral Security : Land & Building situated at Kh No. 39//6,7,14,15,17,24 Village Dhogri, Tehsil & Distt. Jalandhar.

**Term Loans from Financial Institutions :-**

Term Loans from Mahindra & Mahindra Financial Services Ltd is secured against respective machines.

6 **Restated Deferred tax Liabilities (Net)** (INR in Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
<b>Deferred Tax Asset:</b>			
Gratuity			
Opening Balance	22.02	19.99	18.94
Current Year	6.40	2.03	1.05
<b>Total</b>	<b>28.42</b>	<b>22.02</b>	<b>19.99</b>
<b>Deferred Tax Liability:</b>			
<b>Depreciation</b>			
Difference in Depreciation charge	622.56	494.07	411.78
<b>Net Deferred Tax Asset / (Liability)</b>	<b>594.14</b>	<b>472.05</b>	<b>391.79</b>

ANNEXURE- IV : RESTATED NOTES TO FINANCIAL STATEMENTS

**7 Restated Long Term Provision (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
Provisions for employee benefits	87.84	73.81	65.58
<b>Total</b>	<b>87.84</b>	<b>73.81</b>	<b>65.58</b>

**8 Restated Short Term Borrowings (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
<b>Secured</b>			
<b>Loans Repayable on Demand – working capital facilities</b>			
<b>From Banks:</b>			
Cash Credit facility from Canara bank	3,319.30	3,314.89	2,519.58
Packing Credit facility from Canara bank	299.91	300.00	100.00
Cash Credit facility from AXIS bank	-	-	602.71
Discounting )	300.00	680.61	-
Discounting)	-	977.65	200.00
Kotak Mahindra Bank Limited (Bill Discount)	1,119.96	-	-
<b>Total</b>	<b>5,039.17</b>	<b>5,273.15</b>	<b>3,422.29</b>
<b>Unsecured</b>			
From Banks	3.59	40.08	94.54
From Others	-	-	114.21
<b>Total</b>	<b>3.59</b>	<b>40.08</b>	<b>208.75</b>
<b>Total</b>	<b>5,042.76</b>	<b>5,313.23</b>	<b>3,631.04</b>

**Working capital facility from Canara Bank is secured against:-**

**Primary security:**

Secured against hypothecation of stock, book debts and plant and machinery

**Collateral Security :**

- i. Properties at A-12, Industrial Development Colony, Jalandhar and House no-148 Shakti Nagar Jalandhar owned by Mr.
- ii. Properties at A-10, A-11, A-13, A-17, A-18 A-20 A-21, A-22, A-23 and A-26, Industrial Development Colony, Jalandhar
- iii. Property at Hanbast no 325 Khewat Khatoni Village Sura, Jalandhar owned by the Company.

**Working capital facility from Axis Bank is secured against:-**

**Primary Security :** First pari passu charge with canara bank by way of hypothecation of stock, book debts and Plant & Machinery.

**Collateral Security :** Land & Building situated at Kh No. 39//6,7,14,15,17,24 Village Dhogri, Tehsil & Distt. Jalandhar.

**9 Current Maturity of Long Term Borrowings (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
-Term Loans from Banks	654.24	2,189.71	700.02
-Term Loan from Financial Institutions	257.16	26.81	-
-Other Loans from Banks	-	-	-
<b>Total</b>	<b>911.40</b>	<b>2,216.52</b>	<b>700.02</b>

**10 Restated Trade Payables (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
<b>Current</b>			
Trade Payable			
- Due to others	2,138.74	2,029.62	1,511.88
- Due to MSME*	180.33	283.78	281.16
- Expenses	-	-	-
<b>Total</b>	<b>2,319.07</b>	<b>2,313.40</b>	<b>1,793.04</b>

**\*Note:**

Amount due to MSME includes the interest amount payable to MSME creditors

20.49  
18.1

**11 Restated Other Current Liabilities (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
Duties & taxes	284.11	132.33	225.12
Advance from parties	30.02	19.74	-
Expense payable	278.72	265.74	251.21
<b>Total</b>	<b>592.85</b>	<b>417.81</b>	<b>476.33</b>

**12 Restated Short Term Provisions (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
Provisions for Employee Benefits (current)	7.23	5.36	6.29
Provision for CSR (refer Note - 5)	10.49	-	-
Provision for Income Tax	122.97	112.02	83.91
<b>Total</b>	<b>140.69</b>	<b>117.38</b>	<b>90.20</b>

**SHARP CHUCKS AND MACHINES LIMITED**  
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

**Restated Notes to Financial Statements**  
**RESTATED STANDALONE STATEMENT OF PROPERTY PLANT & EQUIPMENT**

(INR in Lakhs)

13 **Tangible Asset**

Particulars	Land	Building	Plant & Machinery	Computers	Furniture & Office Equipments	Vehicles	Air Pollution Control	Total
<b>Cost/Deemed Cost</b>								
<b>At 31st March 2020</b>	<b>377.12</b>	<b>637.31</b>	<b>5,425.04</b>	<b>36.92</b>	<b>104.84</b>	<b>104.42</b>	<b>31.05</b>	<b>6,716.70</b>
Additions		3.53	1,013.06	2.07	6.66			<b>1,025.32</b>
Deletions				-	-			-
<b>At 31st March 2021</b>	<b>377.12</b>	<b>640.84</b>	<b>6,438.10</b>	<b>38.99</b>	<b>111.50</b>	<b>104.42</b>	<b>31.05</b>	<b>7,742.02</b>
Additions		20.72	1,278.66	2.58	12.82	59.23	-	<b>1,374.01</b>
Deletions			6.58	-	-	-	-	<b>6.58</b>
<b>At 31st March 2022</b>	<b>377.12</b>	<b>661.56</b>	<b>7,710.18</b>	<b>41.57</b>	<b>124.32</b>	<b>163.65</b>	<b>31.05</b>	<b>9,109.45</b>
Additions	-	53.53	1,494.72	1.86	7.68	12.67	-	<b>1,570.46</b>
Deletions	-		1.90			15.44	-	<b>17.34</b>
<b>At 31st March 2023</b>	<b>377.12</b>	<b>715.09</b>	<b>9,203.00</b>	<b>43.43</b>	<b>132.00</b>	<b>160.88</b>	<b>31.05</b>	<b>10,662.57</b>
<b>Depreciation &amp; Impairment</b>								
<b>At 31st March 2020</b>	-	<b>120.12</b>	<b>1,680.78</b>	<b>34.08</b>	<b>51.93</b>	<b>55.65</b>	<b>9.87</b>	<b>1,952.43</b>
Depreciation charge for the year		16.60	354.40	1.15	9.26	10.23	2.02	<b>393.66</b>
Disposals				-	-			-
<b>At 31st March 2021</b>	-	<b>136.72</b>	<b>2,035.18</b>	<b>35.23</b>	<b>61.19</b>	<b>65.88</b>	<b>11.89</b>	<b>2,346.09</b>
Depreciation charge for the year		20.69	421.87	1.09	9.53	12.87	2.02	<b>468.07</b>
Disposals			0.28	-	-			<b>0.28</b>
<b>At 31st March 2022</b>	-	<b>157.41</b>	<b>2,456.77</b>	<b>36.32</b>	<b>70.72</b>	<b>78.75</b>	<b>13.91</b>	<b>2,813.88</b>
Depreciation charge for the year		21.17	516.35	1.81	9.13	14.36	2.02	<b>564.84</b>
Disposals			0.51			10.34		<b>10.85</b>
<b>At 31st March 2023</b>	-	<b>178.58</b>	<b>2,972.61</b>	<b>38.13</b>	<b>79.85</b>	<b>82.77</b>	<b>15.93</b>	<b>3,367.87</b>
<b>Net book value</b>								
<b>At 31st March 2023</b>	377.12	536.51	6,230.39	5.30	52.15	78.11	15.12	<b>7,294.70</b>
<b>At 31st March 2022</b>	377.12	504.15	5,253.41	5.25	53.60	84.90	17.14	<b>6,295.57</b>
<b>At 31st March 2021</b>	377.12	504.12	4,402.92	3.76	50.31	38.54	19.16	<b>5,395.93</b>
<b>At 31st March 2020</b>	377.12	517.19	3,744.26	2.84	52.91	48.77	21.18	<b>4,764.27</b>

**SHARP CHUCKS AND MACHINES LIMITED**  
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

**ANNEXURE- IV : RESTATED NOTES TO FINANCIAL STATEMENTS**

(INR in Lakhs)

**14 Restated Intangible Assets**

Particulars	Intangible Assets	
	Software	Total
<b>Cost/Deemed Cost</b>		
<b>At 31st March 2020</b>	<b>23.89</b>	<b>23.89</b>
Additions	-	-
Deletions	-	-
<b>At 31st March 2021</b>	<b>23.89</b>	<b>23.89</b>
Additions	2.15	2.15
Deletions	-	-
<b>At 31st March 2022</b>	<b>26.04</b>	<b>26.04</b>
Additions	-	-
Deletions	-	-
<b>At 31st March 2023</b>	<b>26.04</b>	<b>26.04</b>
	-	-
<b>Amortization</b>		
<b>At 31st March 2020</b>	<b>14.45</b>	<b>14.45</b>
Amortization charge for the year	3.38	3.38
Disposals	-	-
<b>At 31st March 2021</b>	<b>17.83</b>	<b>17.83</b>
Amortization charge for the year	3.62	3.62
Disposals	-	-
<b>At 31st March 2022</b>	<b>21.45</b>	<b>21.45</b>
Amortization charge for the year	3.79	3.79
Disposals	-	-
<b>At 31st March 2023</b>	<b>25.24</b>	<b>25.24</b>
	-	-
<b>Net book value</b>		
<b>At 31st March 2023</b>	<b>0.80</b>	<b>0.80</b>
<b>At 31st March 2022</b>	<b>4.59</b>	<b>4.59</b>
<b>At 31st March 2021</b>	<b>6.06</b>	<b>6.06</b>
<b>At 31st March 2020</b>	<b>9.44</b>	<b>9.44</b>

(INR in Lakhs)

**15 Restated Capital Work in Progress including Intangible assets under development**

Particulars	As at 31st March		
	2023	2022	2021
Building under construction	44.74	42.93	26.58
Addition:-	9.80	1.81	16.35
Adjustment:-	53.51	-	-
<b>Total</b>	<b>1.03</b>	<b>44.74</b>	<b>42.93</b>
Plant & Machinery under Installation	-	-	-
Addition:-	389.01	-	-
Adjustment:-	-	-	-
<b>Total</b>	<b>389.01</b>	<b>-</b>	<b>-</b>
<b>Total Tangibles</b>	<b>390.04</b>	<b>44.74</b>	<b>42.93</b>
Intangible Assets under development (Software)	7.70	7.70	2.93
Addition:-	-	-	4.77
Adjustment:-	7.70	-	-
<b>Total Intangibles</b>	<b>-</b>	<b>7.70</b>	<b>7.70</b>
<b>Total</b>	<b>390.04</b>	<b>52.44</b>	<b>50.63</b>

**SHARP CHUCKS AND MACHINES LIMITED**  
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

**ANNEXURE- IV : RESTATED NOTES TO FINANCIAL STATEMENTS**

**16 Restated Long-term loans and advances (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
Capital advances	40.85	166.76	28.37
	<b>40.85</b>	<b>166.76</b>	<b>28.37</b>

**17 Restated other non current asset (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
Security Deposits	327.95	266.51	210.30
	<b>327.95</b>	<b>266.51</b>	<b>210.30</b>

**18 Restated Inventories (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
Raw Materials	1,666.06	1,498.94	1,796.16
Semi Finished Goods	3,092.86	1,954.76	1,836.77
Consumable Stores & Packing Stocks	78.27	69.77	75.74
Finished Goods	1,627.50	1,568.02	1,485.16
<b>Total</b>	<b>6,464.69</b>	<b>5,091.49</b>	<b>5,193.83</b>

**19 Restated Trade Receivables (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
<b>Unsecured and considered good</b>			
- From Related Parties	-	-	-
- From Others	2,910.07	3,359.20	2,133.91
upto 6 months	2,804.75	2,725.58	1,866.01
6 months to 1 year	70.91	593.56	267.90
1 year to 3 years	19.21	20.59	-
Above 3 years	15.20	19.47	-
<b>Total</b>	<b>2,910.07</b>	<b>3,359.20</b>	<b>2,133.91</b>

**20 Restated Cash and Cash Equivalents (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
<b>Cash &amp; Cash Equivalents</b>			
Cash on hand	14.69	5.52	4.60
Cheques and drafts on hand	75.00	2,523.00	-
Balances with Banks	18.03	28.21	60.85
<b>Other bank balances</b>			
Fixed deposits with banks including interest accrued thereon [bank deposits with more than 12 months maturity]	28.18	48.97	23.13
<b>Total Cash &amp; Cash Equivalent</b>	<b>135.90</b>	<b>2,605.70</b>	<b>88.58</b>

**21 Short Term Loans & Advances (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
Advance & Deposits	126.25	260.63	133.38
Advance Tax	76.58	80.28	65.37
Mat Credit entitlement	74.29	38.45	32.43
Others	151.89	108.35	55.57
Income Tax paid under Protest	9.57	9.57	-
<b>Total</b>	<b>438.58</b>	<b>497.28</b>	<b>286.75</b>

**22 Other Current Assets (INR in Lakhs)**

Particulars	As at 31st March		
	2023	2022	2021
-Deferred Revenue Expenditure	-	-	3.62
Accrued Income	-	52.55	-
<b>Total</b>	<b>-</b>	<b>52.55</b>	<b>3.62</b>

**SHARP CHUCKS AND MACHINES LIMITED**  
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**ANNEXURE- IV : RESTATED NOTES TO FINANCIAL STATEMENTS**

**23 Restated Revenue from operations (INR in Lakhs)**

Particulars	For the year ended		
	31-03-2023	31-03-2022	31-03-2021
Revenue from operations	17,644.97	15,190.78	13,545.94
<b>Total</b>	<b>17,644.97</b>	<b>15,190.78</b>	<b>13,545.94</b>

**24 Restated Other Income (INR in Lakhs)**

Particulars	For the year ended		
	31-03-2023	31-03-2022	31-03-2021
Exports incentives	17.55	34.63	20.13
Interest Received	10.30	9.60	8.75
Foreign exchange fluctuation	19.89	2.95	1.70
PMRY EPF subsidy received	12.34	13.79	4.94
Rebate (PSPCL)	218.00	-	-
Profit on sale of fixed assets	1.11	-	-
Other Income	7.29	0.48	1.65
<b>Total</b>	<b>286.48</b>	<b>61.45</b>	<b>37.17</b>

**25 Restated Direct Expenses (INR in Lakhs)**

Particulars	For the year ended		
	31-03-2023	31-03-2022	31-03-2021
Opening stock	1,498.94	1,796.16	1,584.95
Add: Purchases	11,150.88	8,523.04	7,805.05
Less: Closing stock	(1,666.06)	(1,498.94)	(1,796.16)
<b>Material Consumed</b>	<b>10,983.76</b>	<b>8,820.26</b>	<b>7,593.84</b>
Stores, spares and tools consumed	2,004.74	1,563.78	1,519.15
Power & fuel	1,465.45	1,423.63	1,400.60
Oil & lubricants	95.85	88.28	91.89
Machinery repair & maintenance	61.11	75.57	80.57
Freight, octroi and cartage	63.31	62.31	69.87
Job work charges	189.75	99.29	122.37
<b>Total</b>	<b>14,863.97</b>	<b>12,133.12</b>	<b>10,878.29</b>

**26 Restated Changes in Inventory (INR in Lakhs)**

Particulars	For the year ended		
	31-03-2023	31-03-2022	31-03-2021
<b>Inventories:</b>			
Closing WIP	(3,092.86)	(1,954.76)	(1,836.77)
Opening WIP	1,954.76	1,836.77	1,782.63
Closing Finished Goods	(1,627.50)	(1,568.02)	(1,485.16)
Opening Finished Goods	1,568.02	1,485.16	1,468.41
<b>Total</b>	<b>(1,197.58)</b>	<b>(200.85)</b>	<b>(70.89)</b>

**SHARP CHUCKS AND MACHINES LIMITED**  
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**ANNEXURE- IV : RESTATED NOTES TO FINANCIAL STATEMENTS**

**27 Restated Employee Benefit Cost (INR in Lakhs)**

Particulars	For the year ended		
	31-03-2023	31-03-2022	31-03-2021
Salaries and wages	1,184.60	837.33	568.19
Contributions to provident, ESI & gratuity	90.42	75.78	65.29
Staff welfare expenses	31.15	19.78	26.87
<b>Total</b>	<b>1,306.17</b>	<b>932.89</b>	<b>660.35</b>

**28 Restated Finance Costs (INR in Lakhs)**

Particulars	For the year ended		
	31-03-2023	31-03-2022	31-03-2021
Other interest	739.27	528.19	538.75
Bank charges	114.18	131.29	102.50
<b>Total</b>	<b>853.45</b>	<b>659.48</b>	<b>641.25</b>

**29 Restated Other Expenses (INR in Lakhs)**

Particulars	For the year ended		
	31-03-2023	31-03-2022	31-03-2021
Brokerage & commission	15.96	28.49	27.71
Packing expenses	51.36	42.37	31.96
Professional Charges	59.51	55.73	43.58
Freight & handling charges	174.68	162.39	172.72
Rent, rates & taxes	11.82	16.22	14.71
Travelling expense	22.15	4.52	4.79
Insurance charges	7.13	9.60	10.51
Advertisement & sale promotion expenses	1.79	2.16	1.53
Repair & maintenance	67.80	48.55	33.76
Auditors remuneration	11.20	8.70	9.20
Amortization of deferred revenue expenses	-	3.62	3.62
Loss on sale of Assets	-	0.40	-
Lease rental on machinery	29.60	29.57	32.26
Charity & donation	0.60	0.54	1.47
Postage & telephone expenses	4.07	5.26	4.30
Printing & stationery	9.29	4.99	4.37
Rebate & discount	250.77	139.22	165.34
MSME Interest Expense	-	-	7.09
Provision for CSR	10.49	-	-
Other expenses	91.86	52.87	37.25
<b>Total</b>	<b>820.08</b>	<b>615.20</b>	<b>606.17</b>

**SHARP CHUCKS AND MACHINES LIMITED**  
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**Annexure IV: Disclosure of significant accounting policies and notes to the financial statements**

**A CORPORATE INFORMATION**

Sharp Chucks and Machines Private Limited ("SCPLP" or "the Company") is a Private Company incorporated on 10 June 1994. It is engaged in the manufacturing of lathe chucks, power chucks, drill chucks, machine tool accessories and auto parts which find applications in varied industries (viz. automotive industries, material handling & earth moving equipment industry, sugar plants, cement plants and tractor industry). Subsequently, our Company has changed its name from Sharp Chucks and Machines Private Limited to Sharp Chucks and Machines Limited w.e.f. 20 December 2022.

**SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS -**

- (i) The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013
- (ii) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.
- (iii) The Company generally follows mercantile system of accounting and all income and expenditure items having a material bearing on the financial statements are recognised on accrual basis.

**2.2 USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

**2.3 PRESENTATION OF FINANCIAL STATEMENTS**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

**2.4 INVENTORIES**

- (i) The inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

**2.5 REVENUE RECOGNITION**

- (a) Revenue/Income and Cost/Expenditure are generally accounted for on accrual as they are earned or incurred, except in case of significant uncertainties.
- (b) Export incentives under various scheme promoted by Government of India are recognized on the basis of export affected during the accounting year.
- (c) Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Exports sales if any accounted for on the basis of the dates of 'On board Bill of lading.
- (d) Dividend income is recognized when the right to receive payment is established.
- (e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**2.6 PROPERTY, PLANT AND EQUIPMENT (PPE)**

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost of Property, Plant and Equipment comprises purchase price (net of duties, rebates and discounts), non refundable duties, taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use

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**Annexure IV: Disclosure of significant accounting policies and notes to the financial statements**

**2.7 INTANGIBLE ASSETS**

- a) Intangible assets comprise computer softwares and are stated at cost less accumulated amortization and accumulated impairment, if any.
- b) Costs of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

**2.8 DEPRECIATION AND AMORTISATION**

Depreciation and amortization is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

**2.9 FOREIGN CURRENCY TRANSACTIONS**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- (c) Non-monetary foreign currency items are carried at cost.
- (d) Any resulting loss /gain is charged / taken to the Profit & Loss Account.

**2.10 INVESTMENTS**

Current investments are carried at lower of cost or fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

**2.11 EMPLOYEE BENEFITS**

**(a) Short term employee benefits:**

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, expected cost of performance incentives, ex-gratia etc. are recognized as expense in the period in which the employee renders the related service.

**(b) Long term employee benefits:**

Long term employee benefits including compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders related services are recognized as a liability at the present value of the defined benefit obligation based on actuarial valuation (under projected unit credit method) carried out at the Balance Sheet date

**(c) Post Employment Benefits:**

i. Defined-contribution plans:

The Company has defined contribution plans (where Company pays pre-defined amounts and does not have any legal or informal obligation to pay additional sums) for post employment benefits (viz. Provident Fund), the Company's contributions thereto are charged to Profit and Loss Account every year.

ii. Defined-benefit plan:

The Company has a defined benefit plan (viz., Gratuity) for employees, the liability for which is determined on the basis of valuation carried out by an independent actuary (under projected unit credit method) at the Balance Sheet date.

iii. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss Statement.

**2.12 BORROWING COSTS**

Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discounts/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

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**Annexure IV: Disclosure of significant accounting policies and notes to the financial statements**

**2.13 SEGMENT ACCOUNTING**

Segment accounting policies are in line with the accounting policies of the company. In addition, the following specific accounting policies have been followed for segment reporting:

- i. Segment revenue includes sales and other income directly identifiable with/allocable to the segment.
- ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. Expenditure, which relate to the company as a whole and not allocable to segments are included under "un-allocable corporate expenditure".
- iii. Income, which relates to the Company as a whole and not allocable to is included in "un-allocable corporate income".
- iv. Segment assets and liabilities include those directly identifiable with the respective segments.

**2.14 LEASES**

i. Assets acquired on lease where significant portion of risks and rewards of ownership are transferred to the lessee are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.

ii. Assets acquired on lease where significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Statement of Profit and Loss on accrual basis.

**2.15 INCOME TAXES**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on expected outcome of assessments.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses, losses under the head capital gains are recognized and carried forward to the extent that there is virtual certainty that sufficient further taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**2.16 IMPAIRMENT**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**2.17 DEFERRED REVENUE EXPENDITURE**

Deferred revenue expenditure is amortized over the period of five years.

**2.18 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

**SHARP CHUCKS AND MACHINES LIMITED**  
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**ANNEXURE IV: DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**B Notes to accounts**

1 The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2 Trade payable ageing as on March 31, 2023 and March 31,2022 :

(INR in Lakhs)

Particulars	Less than 1 Years	1-2 years	2-3 years	More than 3 years	Interest Payable	Total
<b>March 31, 2023</b>						
(I) Total outstanding dues of micro enterprises and small enterprises (MSME)	125.09	30.12	7.02	-	18.10	180.33
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises (Others)	2,032.35	49.70	41.07	15.62	-	2,138.74
<b>Total</b>	<b>2,157.44</b>	<b>79.82</b>	<b>48.09</b>	<b>15.62</b>	<b>18.10</b>	<b>2,319.07</b>

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Interest Payable	Total
<b>March 31,2022</b>						
(I) Total outstanding dues of micro enterprises and small enterprises (MSME)	185.14	71.90	1.30	0.75	24.69	283.78
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises (Others)	1,884.33	83.81	42.54	18.94	-	2,029.62
<b>Total</b>	<b>2,069.47</b>	<b>155.71</b>	<b>43.84</b>	<b>19.69</b>	<b>24.69</b>	<b>2,313.40</b>

There is no disputed outstanding towards MSME or other vendors as on March 31,2023 & March 31, 2022.

3 Trade receivable ageing as on March 31, 2023 and March 31,2022:

(INR in Lakhs)

Particulars	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>March 31,2023</b>						
Undisputed Trade Receivables –considered good	1,877.12	210.94	35.58	1.41	29.25	2,154.30
Less: Provision for Doubtful debts						
<b>Total</b>	<b>1,877.12</b>	<b>210.94</b>	<b>35.58</b>	<b>1.41</b>	<b>-</b>	<b>2,154.30</b>

Particulars	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>March 31,2022</b>						
Undisputed Trade Receivables –considered good	2,725.58	593.56	15.99	4.59	19.48	3,359.20
Less: Provision for Doubtful debts						
<b>Total</b>	<b>2,725.58</b>	<b>593.56</b>	<b>15.99</b>	<b>4.59</b>	<b>19.48</b>	<b>3,359.20</b>

There is no outstanding in Undisputed Trade Receivables–considered doubtful, Disputed Trade Receivables considered good & Disputed Trade Receivables considered doubtful categories as on March 31,2023 & March 31,2022.

**4 Disclosures pursuant to AS- 17 “Segment Reporting”**

I. Primary Segment

The Primary segment reporting of the Company has been determined to be the business segments. The Company has only one business segment which is manufacture and sale of customized Casting, Machine Tools and Forging items. The amounts appearing in these financial statements relate to this primary business segment and therefore no separate business segment disclosure is required.

II. Secondary Segment

(INR in Lakhs)

The Company has identified its geographic segments as (1) India and (2) Outside India. The details in respect of the geographical segments are given below:

Secondary Segments	India		Outside India		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Segment Revenue (Net)	16,904.99	14,098.04	739.98	1,092.74	17,644.97	15,190.78

The Company's assets are entirely located in India.

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**ANNEXURE IV: DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**5 CSR Disclosure**

(INR in Lakhs)	
Particulars	2022-23
Gross amount required to be spent by the Company during the year	10.49
Amount of expenditure incurred (including last year shortfall)	Nil
Shortfall at the end of the year	10.49
Total of previous years shortfall	Nil
Reason for shortfall	Refer Note given below
Nature of CSR activities	Not Applicable
Details of related party transactions	Nil
Movements in the provision during the year where provision is made with respect to a liability incurred by entering into a contractual obligation	Nil

Note : The reason for the shortfall in CSR expenditure is primarily that the Company did not get suitable projects for funding.

(INR in Lakhs)							
S. No.	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
1	Current ratio	Current Assets	Current Liabilities	1.10	1.12	1.15	1.09
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.73	2.17	1.47	1.34
3	Return on Equity (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	10.17%	10.05%	8.05%	7.60%
4	Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.63	5.53	6.34	6.46
5	Trade Payable Turnover Ratio	Purchase of goods & Services	Average Trade Payables	4.81	4.15	3.76	2.85
6	Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	18.72	12.37	13.33	18.15
7	Net Profit Ratio (%)	Net Profit after tax	Net sales = Total sales - sales return	2.87%	2.98%	2.44%	2.54%
8	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.37	2.32	1.50	1.18
9	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	10.20%	7.79%	9.54%	9.29%

**1 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee benefits"**

**Defined contribution plans:**

During the year, the Company has contributed Rs. 51.45 Lakhs (Previous Year Rs. 49.43 Lakhs) towards recognized provident fund.

**Defined benefit plans:**

a) The amounts recognized in the Balance Sheet in respect of Gratuity Fund are as follows –

(INR in Lakhs)		
	As at 31.03.2023	As at 31.03.2022
Present value of unfunded obligations at the beginning of the period	79.17	71.87
Amount to be recognized as liability at the end of the period	95.08	79.17
Amount reflecting in the Balance Sheet as Current Liability	7.23	5.36
Amount reflecting in the Balance Sheet as Non-current Liability	87.84	73.81

b) The amounts recognized in the Statement of Profit and Loss for gratuity liability are as follows: -

(INR in Lakhs)		
	Period ended 31.03.2023	Year ended 31.03.2022
Current Service Cost	30.09	19.12
Interest Cost	5.74	5.21
Net Actuarial Losses/(Gains) recognized in the year	-9.94	-9.93
Expenses recognized in the statement of profit & loss	25.89	14.4

c) The changes in the present value of defined benefit obligations (relating to gratuity liability) representing reconciliation of opening and closing balances thereof are as follows: -

(INR in Lakhs)		
	As at 31.03.2023	As at 31.03.2022
Opening balance of the present value of defined benefit obligations	79.17	71.87
Add:-Current Service Cost	30.09	19.12
Add:- Interest Cost	5.74	5.21
Add:- Actuarial Losses/(Gains)	-9.94	-9.93
Less:-Benefit Paid	-9.99	-7.09
Closing balance of the present value of defined benefit obligations	95.07	79.17

d) Principal actuarial assumptions as at the Balance Sheet date:

(INR in Lakhs)		
	As at 31.03.2023	As at 31.03.2022
Discount Rate (p.a)	7.50 % per annum	7.25 % per annum
Salary Escalation rate (p.a)	5.00% per annum	5.00% per annum
Withdrawal Rate	5.00% per annum	5.00% per annum

1) Discount rate- Discount Rate has been determined by reference to market yields on the balance sheet date on Government bonds.

2) Salary escalation rate- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

3) Retirement age-The employees of the Company are assumed to retire at the age of 60 years.

4) Mortality- As per published rates under the Indian Assured Lives Mortality (2012-14) Ultimate Table.

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(INR in Lakhs)

**ANNEXURE V : MATERIAL REGROUPING / RESTATMENT TO FINANCIAL STATEMENTS**

**1 Material Regrouping**

Appropriate adjustments have been made in the Restated standalone Financial Statements of Assets\ and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

**2 Material Adjustments**

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

(INR in Lakhs)

Particulars	As at 31 March		
	2023	2022	2021
Net Profits after tax as per audited financial statements (A)	473.39	453.97	380.52
Add/(Less) : Adjustments in Restated Financial Statements - as per below note	33.11	(1.35)	(49.56)
<b>Restated Profit/ (Loss) (A+B)</b>	<b>506.50</b>	<b>452.62</b>	<b>330.96</b>

**ANNEXURE : V ADJUSTMENT TO THE RESTATEMENT FINANCIAL STATEMENTS**

(INR in Lakhs)

Adjustments to Expenses	Sub-group to Profit and Loss Statement	As at 31 March			Refer Note No.
		2023	2022	2021	
Other expenses	MSME Interest Expense	-	-	7.09	1
Other expenses	Rates and taxes	10.05	7.39	8.72	2
Deferred Tax	Deferred Tax	(1.67)	(0.12)	0.74	3
Excess /(Short) provision of Tax/MAT	Provision of I tax/MAT	(37.90)	(5.92)	33.01	4
Other Income	Other Income	(6.59)	-	-	5
Other expenses	Professional fees for IPO	3.00	-	-	6
		<b>(33.11)</b>	<b>1.35</b>	<b>49.56</b>	

**Note:**

- 1 Provision has been made for Interest payable to MSME vendor for making payment beyond 45 days
  - 2 Provision has been made of Interest payable for GST ITC reversal due to payment to vendors made beyond 180 days
  - 3 Deferred Tax has been reversed/charged on following balancesheet approach.
  - 4 Excess /(Short) provision of Incpme Tax/MAT has been made in restatement financial Statement
  - 5 Excess Provision of MSME is reversed
  - 6 Provision has been made for professional services
- 2.2 Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

(INR in Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Equity Share Capital & Reserves & Surplus as per Audited financial Statement	5,211.56	4,738.17	4,284.20
Add/(Less) : Adjustments on account of change in Profit/Loss	23.23	(9.88)	(8.53)
Add/(Less) : Adjustments on account of MAT Credit			
Total Adjustments (B) -			
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>5,234.79</b>	<b>4,728.29</b>	<b>4,275.67</b>

**ANNEXURE : V INTER GROUP ADJUSTMENTS TO THE RESTATED FINANCIAL STATEMENTS**

(INR in Lakhs)

Group	Sub-Group	TF to/TF From	Group	Sub-Group	As at 31 March		
					2023	2022	2021
Non Current Liability	Other Long Term Liability	Trf to	Non Current Liability	Long Term Borrowing	316.32	328.22	222.22
Direct Expense	Power and fule	Trf to	Other income	Rebate (PSPCL)	218.00	-	-

**SHARP CHUCKS AND MACHINES LIMITED**  
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

**ANNEXURE VI - RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES**

(INR in Lakhs)

**CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	For the year ended		
	2023	2022	2021
Income tax liability that may arise in respect of which the Company is under appeal (Net of predeposit)	38.25	38.25	-
Bank Guarantees	9.33	9.33	-
Letter of Credit	90.00	90.00	-
Claim against the Company not acknowledged as debt	-	-	-
<b>Total</b>	<b>137.58</b>	<b>137.58</b>	<b>-</b>

\*Contingent liabilities related to Income Tax Act,1961, where appeal was lying with CIT - Appeals for A.Y.2017-18, for dispute regarding tax on Unexplained Investments.

**SHARP CHUCKS AND MACHINES PRIVATE LIMITED**  
**ANNEXURE VII - RESTATED STANDALONE STATEMENT OF RELATED PARTY DISCLOSURE**

(INR in Lakhs)

Sr. No.	Name	Nature of Relationship	Nature of Transaction	For the year ended					
				31-03-2023		31-03-2022		31-03-2021	
				Amount of Transaction	Outstanding amount	Amount of Transaction	Outstanding amount	Amount of Transaction	Outstanding amount
1	Shri Ajay Sikka	Managing Director	Salary	18.00	3.53	18.00	1.80	16.50	0.75
			Unsecured Loan obtained	89.00	-	369.00	-	50.00	-
			Unsecured Loan repaid	100.90	-	265.00	-	60.00	-
			Outstanding unsecured Loans	-	158.22	-	170.12	-	66.12
2	Smt. Gopika Sikka	Under stimulation promoter Director	Salary	9.00	5.26	9.00	4.70	8.25	5.98
			Unsecured Loan obtained	-	-	36.00	-	-	-
			Unsecured Loan repaid	-	-	30.00	-	-	-
			Outstanding unsecured Loans	-	35.50	-	35.50	-	29.50
3	Shri Ajay Sikka (HUF)	Under stimulation promoter Karta is Director	Outstanding unsecured Loans	-	5.00	-	5.00	-	5.00
			Unsecured Loan repaid	-	-	4.00	-	-	4.00
4	Smt Suman Bala	Under stimulation promoter	Outstanding unsecured Loans	-	9.00	-	9.00	-	9.00
			Unsecured Loan repaid	-	22.60	-	22.60	-	22.60
5	Shri Dinesh Sikka	Others	Unsecured Loan obtained	-	-	-	-	-	15.00
			Unsecured Loan repaid	-	-	15.00	-	-	-

## SHARP CHUCKS AND MACHINES LIMITED

(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

### ANNEXURE VIII - RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIO

(INR in Lakhs)

Ratios	For year ended 31 March		
	2023	2022	2021
Restated PAT as per P& L Account	506.50	452.62	330.96
Weighted Average Number of Equity Shares at the end of the Year (Note -2)	97,84,308	97,84,308	97,84,308
Weighted Average Number of Potential Equity Shares at the end of the Year (Note -2)	97,84,308	97,84,308	97,84,308
<b>Net Worth</b>	<b>5,234.79</b>	<b>4,728.29</b>	<b>4,275.67</b>
<b>Earnings Per Share (with Bonus affect)</b>			
Basic (In Rupees) (Note 1.a)	5.18	4.63	3.38
Diluted (In Rupees) (Note 1.b)	5.18	4.63	3.38
<b>Return on Net Worth (%)</b>	<b>9.68%</b>	<b>9.57%</b>	<b>7.74%</b>
<b>Net Asset Value Per Share (Rs)</b>	<b>53.50</b>	<b>48.33</b>	<b>43.70</b>
Nominal Value per Equity share (Rs.)	10	10	10

#### Notes :

1 The ratios have been calculated as below:

a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/Weighted Average Number of Equity Shares outstanding during the nine months/year.

b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/Weighted Average Number of Diluted Potential Equity Shares outstanding during the nine months/year

c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X100

d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the nine months or year / Total Number of Equity Shares outstanding during the nine months or year.

2 Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2013 as amended.

3 Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

**SHARP CHUCKS AND MACHINES LIMITED**

(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

**ANNEXURE IX**

**RESTATED STANDALONE STATEMENT OF CAPITALISATION**

(INR in Lakhs)

<b>Sr No</b>	<b>Particulars</b>	<b>Post Issue</b>	<b>Pre Issue</b>
	<b>Debts</b>		
A	Long Term Debt	3,080.04	3,080.04
B	Short Term Debt	5,954.16	5,954.16
<b>C</b>	<b>Total Debt</b>	<b>9,034.20</b>	<b>9,034.20</b>
	<b>Equity Shareholder Funds</b>		
	Equity share capital	1,075.98	978.43
	Reserve and surplus	4,724.59	4,256.36
<b>D</b>	<b>Total Equity</b>	<b>5,800.57</b>	<b>5,234.79</b>
<b>E</b>	<b>Total Capitalization</b>	<b>14,834.77</b>	<b>14,268.99</b>
	Long Term Debt/ Equity Ratio (A/D)	0.53	0.59
	Total Debt/ Equity Ratio (C/D)	0.40	0.63

**Notes:**

- 1 The above ratios has been computed on the basis of the Restated Standalone Statement of Assets & liabilities
- 2 Short term debts includes current maturities of long term debt.

**SHARP CHUCKS AND MACHINES LIMITED**  
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**ANNEXURE X - RESTATED STANDALONE STATEMENT OF TAX SHELTER**

(INR in Lakhs)

Particulars	For the year ended		
	2023	2022	2021
<b>Restated Profit before tax (A)</b>	<b>716.73</b>	<b>640.70</b>	<b>470.90</b>
Other Specific Income Tax Special Tax Rate (%)	25	25	25
<b>Adjustments:</b>			
<b>Permanent Differences (B)</b>			
Disallowance of Stamp Duty on increase in authorised share capital	-	-	-
Donation	0.60	0.54	1.47
Disallowance under section 40A(3)	-	-	-
Disallowance under section 40A(7)(Net of payment)	15.90	7.30	3.77
Disallowance u/s 36	-	4.29	-
Disallowance u/s 37	4.08	2.93	7.24
<b>Total Permanent Difference</b>	<b>20.58</b>	<b>15.06</b>	<b>12.48</b>
<b>Timing Differences(C)</b>			
Income consider Separately	(11.41)	(9.60)	(8.75)
Difference between tax and book depreciation	(460.76)	(296.23)	(147.98)
Disallowance u/s.43B	10.05	7.39	8.72
Disallowance under section 40(a)(ia) on account of non-compliance with the provisions of Chapter XVII-B(net of payment)	1.20	0.30	-0.45
Carry forward business losses	-	-	-
<b>Total Timing Differences</b>	<b>(460.92)</b>	<b>(298.14)</b>	<b>(148.46)</b>
<b>Capital gain</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income From Other Source</b>	<b>10.30</b>	<b>9.60</b>	<b>8.75</b>
<b>Net Adjustments (D=B+C)</b>	<b>(440.34)</b>	<b>(283.08)</b>	<b>(135.98)</b>
<b>Net Profit as per Income Tax Provision</b>	<b>286.69</b>	<b>367.22</b>	<b>343.67</b>
<b>Deduction under chapter VI-A</b>	<b>-</b>	<b>-</b>	<b>1.07</b>
	<b>286.69</b>	<b>367.22</b>	<b>342.60</b>
Income Tax as per Normal Provision including subject to Special Rate	71.6725	91.80	85.65
Income Tax as per MAT	107.51	-	-
<b>Net Tax Expense</b>	<b>107.51</b>	<b>91.80</b>	<b>85.65</b>
<b>Add: Surcharge</b>	<b>7.53</b>	<b>6.43</b>	<b>6.00</b>
	<b>115.04</b>	<b>98.23</b>	<b>91.65</b>
<b>Add: Health and Education Cess</b>	<b>4.60</b>	<b>3.93</b>	<b>3.67</b>
	<b>119.64</b>	<b>102.16</b>	<b>95.31</b>
<b>Add: Interest u/s234B &amp; u/s.234C</b>	<b>4.31</b>	<b>4.93</b>	<b>3.76</b>
	<b>123.95</b>	<b>107.09</b>	<b>99.07</b>
Less: MAT Credit utilised/(availed)	<b>35.84</b>	<b>(6.02)</b>	<b>14.07</b>
Add: Round off of tax as per Section 244A	-	-	-
<b>Tax as per Profit and Loss Statement</b>	<b>88.11</b>	<b>113.11</b>	<b>85.00</b>

**SHARP CHUCKS AND MACHINES LIMITED**  
(Formerly known as SHARP CHUCKS AND MACHINES PRIVATE LIMITED )

**ANNEXURE - XI : RESTATED STATEMENT OF FINANCIAL INDEBTEDNESS**

(INR in Lakhs)

Particulars	Facility Term			Outstanding as on 31-12-2022	Security
	Loan Amount	Rate of Interest (%)	Total outstanding Term ( Months)		
<b>Term Loans</b>					
<b>Term Loans - from Banks</b>					
Canara Bank New Term Loan (2508766000064)	39.00	8.65	5	39.00	As per Note
Canara Bank New Term Loan (170001003587)	975.00	9.70	67	975.00	As per Note
Canara Bank New Term Loan (2508766000078)	4.71	10.70	1	4.71	As per Note
Canara Bank New Term Loan (2508755000070)	310.00	7.50	31	310.00	As per Note
Canara Bank Gecl( 170004455241)	137.45	7.90	31	137.45	As per Note
Canara Bank Loan MSME (170004469593)	537.89	7.90	36	537.89	As per Note
Canara Bank Loan MSME (170004469988)	578.40	9.70	70	578.40	As per Note
HDFC Bank (Forklift) A/c No: 84891409(20455)	3.42	9.51	18	3.42	Vehicle for which loan provided
HDFC Car Loan ( FORD ENDEAVOUR )				25.59	Vehicle for which loan provided
	25.59	7.25	38		
HDFC JEEP Loan ( JEEP COMPASS )	6.78	11.50	19	6.78	Vehicle for which loan provided
HDFC CAR Loan ( CRETA )	4.66	11.50	21	4.66	Vehicle for which loan provided
Yes Bank Car Loan Tata Tigor xe Grey	3.70	9.85	34	3.70	Vehicle for which loan provided
Yes Bank Car Loan Tata Tigor xe White				2.67	Vehicle for which loan provided
	2.67	9.85	34		
<b>Term Loans - from NBFC(Others)</b>					
Mahindra & Mahindra Financial Services Ltd Term Loan-I	263.28	6.50	42	263.28	Equipments for which loan provided
Mahindra & Mahindra Financial Services Ltd Term Loan -II	62.55	6.50	43	62.55	Equipments for which loan provided
Mahindra & Mahindra Financial Services Ltd Term Loan -III	220.03		36	220.03	Equipments for which loan provided
<b>Total - A</b>	<b>3,175.13</b>			<b>3,175.13</b>	
<b>Working Capital Loan</b>					
Cash Credit facility from Canara bank	3,319.30	9.70	Demand loan	3,319.30	As per Note
Packing Credit facility from Canara bank	299.91	4.70		299.91	As per Note
Kotak Mahindra Bank (PO Discounting and Bill Discounting )	300.00	8.70		300.00	
<b>Total - B</b>	<b>3,919.21</b>			<b>3,919.21</b>	
<b>Unsecured</b>					
<b>From Banks</b>					
HDFC Bank Ltd	3.59	15.50	3	3.59	Unsecured Business Loan
<b>From Others</b>					
Dirp Capital Service India LLP (Bill Discounting)	22.89	10.00		22.89	
<b>Total - C</b>	<b>26.48</b>			<b>26.48</b>	
<b>Total (A+B+C)</b>	<b>7,120.82</b>			<b>7,120.82</b>	

**Note**

**Working capital facility and term loan from Canara Bank is secured against:-**

**Primary security:**

Secured against hypothecation of stock, book debts and plant and machinery

**Collateral Security :**

- i. Properties at A-12, Industrial Development Colony, Jalandhar and House no-147,148 Shakti Nagar Jalandhar owned by Mr. Ajay Sikka; and Mrs Gopika Sikka
- ii. Properties at A-10, A-11, A-13, A-17, A-18 A-20 A-21, A-22. A-23 and A-26, Industrial Development Colony, Jalandhar owned by the Company;
- iii. Property at Hanbast no 325 Khewat Khatoni Village Sura, Jalandhar owned by the Company.

**Working capital facility from Axis Bank was secured against and transfer to Canara Bank in FY 21-22**

**Primary Security :** First pari passu charge with canara bank by way of hypothecation of stock, book debts and Plant & Machinery.

**Collateral Security :** Land & Building situated at Kh No. 39//6,7,14,15,17,24 Village Dhogri, Tehsil & Distt. Jalandhar.

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial position and results of operations together with our Restated Financial Statements which have been included in this Prospectus. The following discussion and analysis of our financial position and results of operations is based on our Restated Financial Statements for the financial year March 31, 2023, for the financial year ended March 31, 2022, for financial year ended March 31, 2021 including the related notes and reports, included in this Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial information. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader’s level of familiarity with Ind AS, Companies Act, SEBI Regulations and other relevant accounting practices in India. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under “*Risk Factors*” and “*Forward Looking Statements*” beginning on pages 23 and 13, respectively, and elsewhere in this Prospectus.

In this chapter, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Sharp Chucks and Machines Limited and, our Company. Unless otherwise indicated, financial information included herein are based on our “*Restated Financial Statements*” for the financial year ended March 31, 2023, for the financial year ended March 31, 2022, for the Financial Year 2021 beginning on page no. 184 of this Prospectus.

### BUSINESS OVERVIEW

1. In-house manufacturing facilities and Machining Centre
2. Wide product range and customized product offering
3. Vast Experience of Promoters
4. Customer Diversification
5. Effective quality control checks

For further details, please refer chapter titled “*Business Overview*” beginning on page 131 of this Prospectus.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the chapter titled “*Risk Factors*” beginning on page 23 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Volatility in supply and pricing of products;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to attract and retain qualified personnel;
- Substantial capital expenditure & working capital requirements;
- Default or delay in payment from customers;
- Changes in laws, rules & regulations and legal uncertainties;
- Pricing pressures from the competitive business environment;
- Economic and Demographic condition;

- The occurrence of natural disasters or calamities;
- Other factors beyond our control and
- Our ability to manage risks that arise from these factors.

#### SIGNIFICANT ACCOUNTING POLICIES

For more details kindly refer to chapter titled “*Restated Financial Statements*” beginning on page 184 of this Prospectus.

#### DISCUSSION ON RESULTS OF OPERATIONS

The following table sets forth financial data from our restated financial statements of profit & loss for the financial year ended March 31, 2023, for the financial year ended March 31, 2022, for the financial year ended March 31, 2021 and for the financial year ended March 31, 2020, the components of which are also expressed as a percentage of total revenue for such periods:

*(₹ in Lakhs except share data)*

Particulars	Year ended 31-Mar-2032		Year ended 31-Mar-2022		Year ended 31-Mar-2021		Year ended 31-Mar-2020	
	₹ in lakhs	%*						
<b><u>(A) REVENUE</u></b>								
Revenue from Operations	17,644.97	98.40%	15,190.78	99.60%	13,545.94	99.73%	11,281.12	99.30%
Other Income	286.48	1.60%	61.45	0.40%	37.17	0.27%	80.09	0.70%
<b>Total Revenue</b>	<b>17,931.45</b>	<b>100.00%</b>	<b>15,252.23</b>	<b>100.00%</b>	<b>13,583.11</b>	<b>100.00%</b>	<b>11,361.21</b>	<b>100.00%</b>
<b><u>(B) EXPENDITURE</u></b>								
Direct Expenses	14,863.97	82.89%	12,133.12	79.55%	10,878.29	80.09%	8,620.73	75.88%
Changes in inventory	(1,197.58)	-6.68%	(200.85)	-1.32%	(70.89)	-0.52%	5.05	0.04%
Employee Benefits Cost	1,306.17	7.28%	932.89	6.12%	660.35	4.86%	780.69	6.87%

Particulars	Year ended 31-Mar-2032		Year ended 31-Mar-2022		Year ended 31-Mar-2021		Year ended 31-Mar-2020	
	₹ in lakhs	%*						
Finance Costs	853.45	4.76%	659.48	4.32%	648.34	4.77%	606.13	5.34%
Depreciation and Amortization Expense	568.63	3.17%	471.69	3.09%	397.04	2.92%	357.46	3.15%
Other Expenses	820.08	4.57%	615.20	4.03%	599.08	4.41%	581.90	5.12%
<b>Total Expenses</b>	<b>17,214.72</b>	<b>96.00%</b>	<b>14,611.53</b>	<b>95.80%</b>	<b>13,112.21</b>	<b>96.53%</b>	<b>10,951.96</b>	<b>96.40%</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>	<b>716.73</b>	<b>4.00%</b>	<b>640.70</b>	<b>4.20%</b>	<b>470.90</b>	<b>3.47%</b>	<b>409.25</b>	<b>3.60%</b>
Exceptional Items			0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit Before Tax</b>	<b>716.73</b>	<b>4.00%</b>	<b>640.70</b>	<b>4.20%</b>	<b>470.90</b>	<b>3.47%</b>	<b>409.25</b>	<b>3.60%</b>
<b>Tax Expense:</b>								
(1) Current tax	123.95	0.69%	113.11	0.74%	85.00	0.63%	72.99	0.64%
(2) Deferred tax	122.09	0.68%	80.26	0.53%	40.87	0.30%	15.07	0.13%
(3) Short/(Excess) Provision of Tax of Earlier Years	0.03	0.00%	0.73	0.00%	-	0.00%	(0.05)	0.00%

Particulars	Year ended 31-Mar-2032		Year ended 31-Mar-2022		Year ended 31-Mar-2021		Year ended 31-Mar-2020	
	₹ in lakhs	%*						
(4) MAT Credit Utilised	(35.84)	-0.20%	(6.02)	-0.04%	14.07	0.10%	22.89	0.20%
<b>Total tax expense</b>	<b>210.23</b>	<b>1.17%</b>	<b>188.08</b>	<b>1.23%</b>	<b>139.94</b>	<b>1.03%</b>	<b>110.90</b>	<b>0.98%</b>
<b>Profit/(Loss) for the period</b>	<b>506.50</b>	<b>2.82</b>	<b>452.62</b>	<b>2.97%</b>	<b>330.96</b>	<b>2.44%</b>	<b>298.35</b>	<b>2.63%</b>

\*(%) column represents percentage of total revenue.

### Key Components of our Statement of Profit and Loss Based on our Restated Financial Statements

#### Income

Our total income comprises of revenue from operations and other income.

#### Revenue from Operations

Our revenue from operations represents sale of our products. The Company is engaged in the manufacturing and exporting of power chucks, lathe chucks drill chucks and machine tools accessories. For further details, please refer to chapter “*Business Overview*” on page 131 of this Prospectus.

#### Other Income

Other income includes exports incentives, interest received, foreign exchange fluctuation, subsidy received and other income.

#### Expenditure

Our total expenditure primarily consists of Cost of Material Consumed, Increase/Decrease in Stock, Employee Benefit Expenses, Finance costs, Depreciation and Amortization and Other Expenses.

#### Employee Benefit Expenses

Employee benefit expenses comprises of salaries and wages, director’s remuneration, PF & ESI contributions and provision for gratuity and staff welfare expenses.

#### Depreciation & Amortisation Cost

Depreciation expenses consist of depreciation on the tangible assets of our company i.e., depreciation on fixed assets.

## **Finance costs**

Finance cost includes interest expenses on borrowings to banks and other finance costs.

## **Other Expenses**

Other expenses includes brokerage & commission expenses, packing expenses, professional charges

freight & handling charges, rent, rates & taxes, travelling expense, insurance charges, advertisement & sale promotion expenses, repair & maintenance, auditors remuneration, amortization of deferred revenue expenditure, loss on sale of assets, lease rental on machinery, charity & donation, postage & telephone expenses, printing & stationery, rebate & discount and other expenses.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 TO FINANCIAL YEAR ENDED MARCH 31, 2022**

### **Income:**

#### **Total Revenue**

Our total revenue increased by ₹ 2679.22 Lakhs to ₹ 17,931.45 Lakhs for Fiscal 2023 from ₹ 15,252.23 Lakhs for Fiscal 2022. This was primarily attributable to increase in demands and development of new components.

#### **Revenue from Operations**

Our total revenue increased by ₹ 2,454.19 Lakhs to ₹ 17,644.97 Lakhs for Fiscal 2023 from ₹ 15190.78 Lakhs for Fiscal 2022. This was primarily attributable to increase in demand.

Our export was decreased from ₹ 1092.74 Lakhs in Financial year 2022 to ₹ 739.98 Lakhs in Financial 2023.

#### **Other Income**

Our other income increased by ₹225.03 to ₹ 286.48 Lakhs for Fiscal 2023 from ₹ 61.45 Lakhs for Fiscal 2022. This was primarily attributable of ₹ 218 Lakhs in the form of Pradhan Mantri Rojgar Protsahan Yojana Scheme.

### **Expenditure**

#### **Cost of materials consumed**

Our cost of material consumed was increased by 22.51 % to ₹ 14863.97 Lakhs for Fiscal 2023 from ₹ 12,133.12 Lakhs for Fiscal 2022. This was primarily attributable to meet the increase in demand and selling of new components.

#### **Employee Benefits Expenses**

The employee benefits expense increased by 40.01% to ₹ 1306.17 Lakhs for Fiscal 2023 from ₹ 932.89 Lakhs for Fiscal 2022. This was primarily attributable to increase in their remunerations and staff welfare expenses.

#### **Finance Cost**

The finance costs increased marginally by 29.41% to ₹ 853.45 Lakhs for Fiscal 2023 from ₹ 659.48 Lakhs for Fiscal 2022.

#### **Depreciation and amortization expense**

Our depreciation and amortization expense increased by ₹ 96.94 Lakhs to ₹ 568.63 Lakhs for Fiscal 2023 from ₹ 471.69 Lakhs for Fiscal 2022. This was primarily attributable to additions/purchases in property, plant and equipment.

#### **Other Expenses**

Our other expenses increased by 33.30 % to ₹820.08 Lakhs for Fiscal 2023 from ₹ 615.20 Lakhs for Fiscal 2022.

#### **Tax expenses**

Our tax expenses increased by ₹ 22.15 Lakhs to ₹ 210.23 Lakhs for Fiscal 2023 from ₹ 188.08 Lakhs for Fiscal 2022, this was primarily attributable to deferred tax charge.

### **Profit after Tax (PAT)**

For the reasons discussed above, our profit after tax increased by 11.90% Lakhs to ₹506.50 Lakhs for Fiscal 2023 from ₹ 452.62 Lakhs for Fiscal 2022.

### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021**

#### **Income:**

##### **Total Revenue**

Our total revenue increased by ₹ 1644.84 Lakhs to ₹ 15,190.78 Lakhs for Fiscal 2022 from ₹ 13545.94 Lakhs for Fiscal 2021. This was primarily attributable to increase in demands and development of new components.

##### **Revenue from Operations**

Our total revenue increased by ₹ 1644.84 Lakhs to ₹ 15190.78 Lakhs for Fiscal 2022 from ₹ 13545.94 Lakhs for Fiscal 2021. This was primarily attributable to increase in demand.

Our export was increased from 543.39 Lakhs in Financial year 2021 to ₹ 1092.74 Lakhs in Financial 2022. This was primarily attributable development of new components.

##### **Other Income**

Our other income increased by 65.32% to ₹ 61.45 Lakhs for Fiscal 2022 from ₹ 37.17 Lakhs for Fiscal 2021. This was primarily attributable to export incentives and subsidy in the form of Pradhan Mantri Rojgar Protsahan Yojana Scheme.

#### **Expenditure**

##### **Cost of materials consumed**

Our cost of material consumed was increased by 11.54% to ₹ 12,133.12 Lakhs for Fiscal 2022 from ₹ 10,878.29 Lakhs for Fiscal 2021. This was primarily attributable to meet the increase in demand and selling of new components.

##### **Employee Benefits Expenses**

The employee benefits expense increased by 41.27% to ₹ 932.89 Lakhs for Fiscal 2022 from ₹660.35 Lakhs for Fiscal 2021. This was primarily attributable to increase in employees and their remunerations.

##### **Finance Cost**

The finance costs increased marginally by 1.72% to ₹ 659.48 Lakhs for Fiscal 2022 from ₹ 648.34 Lakhs for Fiscal 2021.

##### **Depreciation and amortization expense**

Our depreciation and amortization expense increased by ₹ 74.65 Lakhs to ₹ 471.69 Lakhs for Fiscal 2022 from ₹ 397.04 Lakhs for Fiscal 2021. This was primarily attributable to additions/purchases in property, plant and equipment.

##### **Other Expenses**

Our other expenses increased marginally by 2.69% to ₹ 615.20 Lakhs for Fiscal 2022 from ₹ 599.08 Lakhs for Fiscal 2021.

##### **Tax expenses**

Our tax expenses increased by ₹ 48.14 Lakhs to ₹ 188.08 Lakhs for Fiscal 2022 from ₹ 139.94 Lakhs for Fiscal 2021, this was primarily attributable to deferred tax charge.

### **Profit after Tax (PAT)**

For the reasons discussed above, our profit after tax increased by ₹ 121.66 Lakhs to ₹ 452.62 Lakhs for Fiscal 2022 from ₹ 330.96 Lakhs for Fiscal 2021.

**Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**1. Unusual or infrequent events or transactions**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three (3) years.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the chapter entitled "*Risk Factors*" beginning on page 23 of this Prospectus. To our knowledge, except as we have described in this Prospectus, there are no known factors which we expect to bring about significant economic changes.

**3. Income and Sales on account of major product/main activities**

Income and sales of our Company on account of main activities derives from sale of customized casting of tractor parts.

**4. Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues.

**5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Chapter titled "*Risk Factors*" beginning on page 23 of this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**6. Extent to which material increases in net sales or revenue are due to increase in services**

Increases in revenues are by and large linked to increases in volume of business.

**7. Total turnover of each major industry segment in which the issuer company operated.**

The Company is engaged in the automobile business and the same has been included in the Chapter titled "*Industry Overview*" beginning on page 120 of this Prospectus.

**8. Status of any publicly announced new products or business segment.**

Our Company has not announced any new services or business segment.

**9. The extent to which business is seasonal.**

Our Company's business is not seasonal.

**10. Any significant dependence on a single or few customers.**

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of contribution of our Company's customers and supplier's vis a vis the revenue from operations and raw materials purchase respectively for the financial year ended March 31, 2023, financial year ended March 31, 2022 and financial year ended March 31, 2021 based on Restated Financial Statements are as follows:

Particulars	Customers		
	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Top 5 customers (₹in Lakhs)	13018.42	10001.69	9311.02
% to total sales	73.78%	65.58%	68.55%

Particulars	Supplier		
	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Top 10 supplier (₹in Lakhs)	7762	7531	49.27
% to total purchased	69.61	88.31	63.51

11. **Competitive conditions.**

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Business Overview*” beginning on pages 120 and 131, respectively of this Prospectus.

**Material developments subsequent to March 31, 2023**

Except as disclosed in this Prospectus, there are no significant developments or circumstances that have arisen since March 31, 2023, the date of the last financial statements included in this Prospectus:

Further, except as disclosed in this Prospectus, there are no circumstances that have arisen since March 31, 2023, the date of the last financial statements included in this Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on several factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity, and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by several factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter to finance our fund requirements for our business activities. For further details, please refer chapter titled ***“Financial Indebtedness”*** beginning on page 223 of this Prospectus.

All dividend payments will be made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

Our Company has not declared in the preceding three Fiscals until the date of this Prospectus.

## FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of the financing arrangements entered into with the banks/ financial institutions. As on March 31, 2023 our total outstanding borrowing were as follows:

(₹ in Lakhs)

Nature of Borrowings	Amount
Secured borrowings (excluding current maturity from long term borrowing)	8214.29
Unsecured borrowings	819.91
<b>Total</b>	<b>9034.20</b>

The details of aggregate outstanding borrowing of our Company as on March 31, 2022 is set forth below;

Sr No.	Nature of Borrowing	Outstanding amount as on March 31, 2023 (₹ in Lakhs)
<b>I</b>	<b>Fund Based Borrowing</b>	
	Term loan from Banks from Canara Bank	2629.26
	Term loan from financial institution i.e., Mahindra and Mahindra Financial Institution	545.86
	Cash Credit facility from Canara Bank	3319.30
	Packing credit facility from Canara Bank	299.91
	Kotak Mahindra Bank (PO Discounting and Bill Discounting )	300.00
	Kotak Mahindra Bank Limited (Bill Discount)	1119.96
	<b>Total Fund Base</b>	<b>8214.29</b>

### A. Secured Borrowings

(₹ in Lakhs)

Sr. No.	Name of Lenders	Charge ID	Purpose of Credit facility	Date of Sanction / Renewal	Amount Sanctioned	Rate of Interest	Repayment Schedule	Prime Securities Offered
1	Mahindra And Mahindra Financial Services Limited	100679790	Working Capital Term Loan	January 30, 2023	225.00	12% p.a. (floating)	36 months	A, B, C, D, E, F, G
2	Mahindra And Mahindra Financial Services Limited	100596770	Machinery Term Loan (MTL)	June 30, 2022	108.62	6.5% p.a. (floating)	48 Months without any moratorium period	A, B, C
3	Canara Bank	100564892	Term Loan	March 31, 2022	600.00	10.55 % p.a.as per the HO CIR 166/2020	72 months	H*
4	Canara Bank	100564900	Term Loan	March 31, 2022	688.00	10.55 % p.a.as per the HO CIR 166/2020	55 months	H*
5	Canara Bank	100564902	Term Loan	March 31, 2022	235.00	RLLR (6.90%) +0.60%=7.50 % p.a.	29 months	H*

Sr. No.	Name of Lenders	Charge ID	Purpose of Credit facility	Date of Sanction / Renewal	Amount Sanctioned	Rate of Interest	Repayment Schedule	Prime Securities Offered
6	Mahindra And Mahindra Financial Services Limited	100564101	Machinery Term Loan (MTL)	March 28, 2022	304.84	6.50% p.a.	51 Months including 3 months moratorium period	E, F
7	HDFC Bank Limited	100507363	Motor Vehicle Loan	July 09, 2021	7.46	11.50% p.a.	36 months	I
8	HDFC Bank Limited	100505516	Motor Vehicle Loan	November 12, 2021	12.00	11.50% p.a.	36 months	J
9	Canara Bank	100494836	Term Loan	October 04, 2021	1000.00	RLLR (6.90%) + 2.80% + 0.80% i.e., 10.50% p.a.	84 Months including 12 months of moratorium period	H*
10	HDFC Bank Limited	100474241	Motor Vehicle Loan	July 09, 2021	36.25	7.25% p.a.	60 months	K
11	HDFC Bank Limited	100385212	Motor Vehicle Loan	October 14, 2020	8.00	9.51 % p.a.	47 months	L
12	Canara Bank	100376720	Term Loan	September 18, 2020	620.00	7.50% p.a. (RLLR+0.60%), subject to maximum of 9.25% p.a.	48 months	H*
13	Canara Bank	10250588	Term Loan	June 29, 2022	4450.00	RLLR (6.90%) + 2.80% i.e., 9.70% p.a.	84 Months including 12 months of moratorium period	H, M*

\*This includes collateral loan arrangement where credit is given also given against hypothecation of machinery purchased out of term loan from the Canara Bank and Axis Bank.

**List of Properties/ Securities:**

Sr. No.	Particulars
A	Rotary Machines- Alex Model R20 & accessories
B	375 Kw, 1&3Khz Dual Frequency Induction Billet Heater & Accessories
C	MEBAeco 260 A cutting machine & accessories
D	Friction Drop Hammer 1000kgs & accessories
E	VMC JV55 with accessories
F	CNC, LL20T L3 Lathe with accessories
G	VMC JVM 60 with accessories
H	i. Existing EMT of industrial property at A-23, Industrial development colony, bye pass, GT Road, near hotel Ranbit classic, Jalandhar, measuring 25 marlas, standing in the name of the company (Sale deed No. 9052 dated 07.01.2005); ii. Existing EMT of industrial property at A-20, Industrial development colony, bye pass, GT Road, near hotel Ranbit classic, Jalandhar, measuring 25 marlas, standing in the name of the Company; iii. Existing EMT of industrial property at A-11, Industrial development colony, bye pass, GT Road, near hotel Ranbit classic, Jalandhar, measuring 33.81 marlas, standing in the name of the company. (Sale deed no. 9086 dated 19.02.2010);

Sr. No.	Particulars
	iv. Existing EMT of industrial property at A-26, Industrial development colony, bye pass, GT Road, near hotel Ranbit classic, Jalandhar, vide sale deed no. 13698 dated 02.01.2013 measuring 18.35 marlas of 207 Sq Ft, standing in the name of the Company; v. Existing EMT of industrial property at A-17 and A-18, Industrial development colony, bye pass, GT Road, near hotel Ranbit classic, Jalandhar, vide sale deed no. 6016 dated 27.11.2002 measuring 67.63 marlas of 207 Sq Ft, standing in the name of the Company; vi. Existing EMT of industrial property at A-12, Industrial development colony, bye pass, GT Road, near hotel Ranbit classic, Jalandhar, vide sale deed no. 4432 dated 30.08.2013 and 5542 dated 26.07.1996 measuring 33.81 marla, standing in the name of Sh. Ajay Sikka vii. Existing EMT of property at Handbast No. 325, Khewat/Khatoni 59/83, 257/299 out of Khasra No. 9//2, 3,4,5/2,6, 7,8,9,12/1, 13/1, 14/1,15/1,1,1,10,11/1 Baruea Jamabandi 2002-03, village Sura, Teh & Distt. Jalandhar, standing in the name of the Company; viii. Existing EMT of Plot No. A-10, Industrial development colony, Jalandhar, measuring 33.81 marla standing in the name of the Company; ix. Existing EMT of Plot No. A-13, Industrial development colony, Jalandhar, measuring 33.81 marla standing in the name of the Company; x. Existing EMT of Plot No. A-21, Industrial Development colony, Jalandhar, measuring 33.81 marla standing in the name of the Company; xi. Existing EMT of Plot A-22, Industrial development colony, bye pass, GT Road, near hotel Ranbir classic, Jalandhar vide sales deed no. 4431 dated 30.08.2013 measuring 33.816 Marla of 207 sq ft in the name of Company; xii. Existing EMT of property house No.148 Shakti Nagar Jalandhar standing in the name of Sh Ajay Sikka vide sale deed no 425 dated 20.04.1966 & court degree dated 17.09.2005 measuring 2280 sq Ft. xiii. EMT of land and building measuring 20 Kanal situated at Near Chak Hussain Lamba Pind Jalandhar standing in the name of the Company; xiv. EMT of Property House No.147 Shakti Nagar Jalandhar standing in the name of Smt. Gopika Sikka W/o Sh. Ajay Sikka vide sale deed no 7003 dated 02.11.2015 measuring 11 marla 3 sq.ft.
I	Hyundai Creta
J	Jeep Compass
K	Ford Endeavour
L	Ace Forklifter
M	Industrial property located at Kh.no.39//6,7,14,15 measuring 19140 sq. yards owned by the Company situated at Village Dhogri Tehsil, District Jalandhar.

**Corporate Guarantee:** Corporate Guarantee has been provided by our Promoter and Promoter Group as follows:

- i. Ajay Sikka and Gopika Sikka has provided guarantee for the term loan availed from Mahindra and Mahindra Financial Services Limited.
- ii. Ajay Sikka, Gopika Sikka and Suman Bala has provided guarantee for the term loan availed from Canara.

**Covenants for the loans availed from Mahindra and Mahindra Financial Services Limited ('Mahindra Finance' or 'MMFSL'):**

- a. The Customer shall not, without the prior written permission from Mahindra Finance:
  - i. Create charge on assets charged in favour of Mahindra Finance and/ or enter into any lease arrangement, ii. Give any Corporate Guarantee, except in the ordinary course of its business iii. Enter into any escrow arrangement and/ or securitisation of its receivables, iv. Assign, sell or transfer any of its brands/goodwill/ logos etc.
- b. The Customer shall reimburse all sums paid by Mahindra Finance for expenses incurred on retaining technical/ management consultants for the Customer, expenses incurred on carrying out technical, financial, legal inspection, expenses incurred for preservation of assets or any expenses of any nature whatsoever incurred exclusively in connection with the Customer within 30 days from the date of notice of demand from Mahindra Finance. Mahindra Finance reserves further right to charge 4% additional interest on the defaulted amounts from the expiry of 30 days from the date of notice of demand till the date of reimbursement.
- c. Prior approval of Mahindra Finance before availment of any future term loans.
- d. If the Customer fails to avail the initial disbursement of the loan within one month from the date of the sanction of the loan, the Mahindra Finance shall have the right to revoke the sanction of the loan.
- e. If the payment is made to the Customer's account, the Customer shall, within one month of the date of disbursement, submit its Auditor's Certificate to the effect that the Loan proceeds have been utilized for the purpose for which the same was sanctioned and have not been utilized directly or indirectly, for any speculative activities, specifically for trading on stock exchange/s. The Customer shall submit the Auditors Certificate, within 15 days, for the loan utilization if requested by Mahindra Finance.
- f. The company shall submit:
  - i. Quarterly Bank statements of Working capital limits to be submitted by every 5th of next month for the preceding quarter, failing which penalty charge of ₹15,000/- p.a. will be levied for the non-compliance. Bank statement of WC

limit account shall be documented and reviewed on quarterly basis. ii. Copy of monthly stock statements to be submitted by every 15th of next month for the preceding month duly acknowledged by Company's WC banker, which shall be recorded on monthly basis as per guidelines by WC banker, failing which penalty charge of ₹15,000/- p.a. will be levied for the non-compliance. Stock statements shall be documented and reviewed on monthly basis. Mahindra Finance reserves further right to charge 4% additional interest on failing to submit above statements within 30 days.

g. The Customer shall pay all legal expenses and charges in connection with and arising out of this loan transaction and/ or its recovery.

h. Mahindra Finance has a right to appropriate payments towards its dues as it deems fit and generally the appropriation shall be made in the sequence of the charges payable, penal interest, simple interest and instalment of the loan.

i. The Customer shall submit monthly progress report on the physical and financial progress of the project, as also on its other existing/ future activities.

j. Any scheme for expansion/ diversification or new project involving long term financial commitments shall be finalised by the Customer only after prior written approval of Mahindra Finance.

k. In case of any default in the payment of statutory dues by the Customer, the same shall be reported to Mahindra Finance within 15 days of such a default with reasons thereof and corrective measures/ steps taken/ proposed.

l. Mahindra finance shall have the right to carry out periodically or at any time of its choice, technical and financial inspection of the factory both during the construction period and thereafter during the currency of the loan and also inspection of books of accounts, documents, records, registers, properties

and assets of the Customer by the authorised representative/s without any restriction. The cost of such inspection shall be borne and paid for by the Customer.

m. During the currency of the loan, the Customer shall not declare or pay any dividend on its share capital (both equity and preference) unless it has paid to Mahindra Finance instalment of interest and the principal amount of the loan and all expenses charges, etc. due and payable.

n. Mahindra Finance further reserves its right to stipulate any other conditions, as it may deem fit, at the documentation stage or before the disbursement of the financial assistance.

o. Mahindra Finance shall have full recourse on the company in case of defaults.

p. Mahindra Finance shall have a right to adjust its dues out of bill discounting disbursement towards payment of its dues, including that for present and future loans; and the company shall unconditionally and irrevocably agree to adjust such dues

q. The customer will continue to have the right to make deductions from the supplier's payments in case there are any quality/ material issues with the supplier, provided such deduction, if any, shall be intimated to the Mahindra Finance. Mahindra Finance shall have a right to adjust such shortfalls in payments from future billing.

r. Mahindra Finance has a right to decide time and amount to adjust overdues if any from the security deposits created against this facility. Any decrease in the security deposit due adjustment shall be replenished from the future disbursement towards bill discounting.

s. The Company shall reimburse all sums paid by Mahindra Finance for expenses incurred on retaining technical/ management consultants for the Company, expenses incurred on carrying out technical, financial, legal inspection, expenses incurred for preservation of assets or any expenses of any nature whatsoever incurred exclusively in connection with the Company within 30 days from the date of notice of demand from Mahindra Finance. Mahindra Finance reserves further right to charge 4% additional interest on the defaulted amounts from the expiry of 30 days from the date of notice of demand till the date of reimbursement.

t. The Company shall pay all legal expenses and charges in connection with and arising out of this loan transaction and/ or its recovery.

**Covenants for the loans availed from Canara Bank:**

a. An undertaking has to be obtained from the borrower with regard to end use of fund and that the amount will be used for the business purpose for which original limit was sanctioned.

b. All terms and conditions as per GECL scheme guidelines of the bank to be complied with.

c. There should not be any diversion of funds from their account for the purpose other than for which it is approved.

d. No Corporate Guarantee/personal Guarantee/third party guarantee/extension of previously furnished guarantee/fresh guarantee to be obtained for fresh GECL accounts.

e. The credit under GECL will rank second charge with the existing credit facilities in terms of cash flows (including repayments) and securities, with charge on the assets financed under the GECL scheme.

f. In cases where personal Guarantee from mortgagor is available for existing loan, there also, no guarantee is to be obtained from the mortgagor of the Immovable property for GECL accounts, whereas second charge on the security available has to be created.

**B. Unsecured Borrowings**

Below are the details of unsecured borrowings availed by our Company as on March 31, 2023.

<b>Sr. No</b>	<b>Particulars</b>	<b>(₹. in Lakhs)</b>
1.	From Directors	216.32
2.	From Promoters under stipulation of financial institutions	100.00
3.	Loans from Banks	3.59
4.	Term Loan from Financial Institutions	500.00
<b>Total</b>		<b>819.91</b>

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) claims related to Direct and Indirect Taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“**Materiality Policy**”), in each case involving our Company, Promoter, Directors, and Group Company (if any), (the “**Relevant Parties**”).

For the purpose of (V) above, our Board in its meeting held on March 28, 2023, has considered and adopted a ‘**Policy of Materiality**’ for identification and determination of whether a particular event / information is material litigation involving the Relevant Parties by computing its 'quantitative' or 'qualitative' criteria(s).

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action, and tax matters, would be considered ‘material’ if, the monetary amount of claim by or against the entity or person in any such pending matter exceed 10% of the total revenue as per the Restated Financial Statements.

Our Board, in its meeting held on March 28, 2023, determined that outstanding dues to any creditor of our Company having monetary value which exceed 10% of the Trade Payables as on latest Financials, shall be considered as ‘Material’.

Unless otherwise stated to the contrary, the information provided is as of the date of this Prospectus.

### CONTINGENT LIABILITIES OF OUR COMPANY

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Claims against the Company not acknowledged as debt</b>			
Income tax liability that may arise in respect of which the Company is under appeal (Net of pre deposit)	38.25	38.25	-
Bank Guarantees	9.33	9.33	-
Letter of Credit	90.00	90.00	-
Claim against the Company not acknowledged as debt	-	-	-
<b>Total</b>	<b>137.58</b>	<b>137.58</b>	<b>-</b>

Contingent liabilities related to Income Tax Act, 1961, where appeal was lying with CIT - Appeals for A.Y.2017-18, for dispute regarding tax on Unexplained Investments

#### A. LITIGATION INVOLVING OUR COMPANY

##### Litigation against Our Company

- (i) **All criminal proceedings: NIL.**
- (ii) **All actions by regulatory authorities and statutory authorities: NIL.**
- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against our Company in the last five financial years including outstanding action: NIL.**
- (iv) **Wilful Defaulter:**  
Our Company does not appear on the Wilful Defaulters’ list as per the Reserve Bank of India Circular on Wilful Defaulters’.
- (v) **Claims related to Direct and Indirect Taxes:**

- **Direct Tax:**

- i. **Income Tax**

Our Company has received a Notice of Demand dated September 20, 2021 under Section 156 of the Income Tax Act, 1961 bearing no. DIN ITBA/AST/S/156/2021–22/1035744045(1). The notice imposing a total demand of ₹ 47.82 Lakhs for the Income Tax Return filed by the Company on October 24, 2017, for the Assessment Year 2017 – 18.

In response to the notice, our Company filed an Appeal No.10904/2016-17/IT/CIT(A)-5/Ldh/2021-22 on October 13, 2021, before the Commissioner of Income Tax (Appeals) – 5, Ludhiana. However, the appeal was subsequently rejected through Order No. ITBA/APL/M/250/2023-24/1052184113(1) dated April 19, 2023. The Order confirmed the tax demand under Section 115BBE of the Income Tax Act, 1961, and imposed a penalty under Section 271AAC. At present, our Company has filed an Appeal vide appeal no. ITA 169/ ASR 2023 against the aforementioned order before the Income Tax Appellate Tribunal (ITAT) and the Appeal is still pending.

- ii. **Tax Deducted at Source (TDS) :**

- iii. Our Company has discharged the following demands of ₹ 24,290 and are in possession of challans but the same has not been updated on the TDS portal.

Sr. No.	Particular (F.Y.)	Total defaults (in ₹ )	Date of Deposited
1.	2011-12	390.00	24.05.2023
2.	2012-13	1240.00	24.05.2023
3.	2013-14	1200.00	24.05.2023
4.	2016-17	420.00	25.05.2023
5.	2017-18	1270.00	25.05.2023
6.	2018-19	680.00	25.05.2023
7.	2020-21	2360.00	25.05.2023
8.	2021-22	4420.00	25.05.2023
9.	2022-23	12,310.00	25.05.2023

• **Indirect Tax:**

Our Company had filed an application under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS -1) with application no. LD1501200003656 dated January 15, 2020 and LD1501200003226 dated January 15, 2020 for the amount of ₹1.12 lakhs and ₹ 2.62 lakhs respectively under the SVLDRS scheme, to resolve the pending litigation of the Sabka Vishwas (Legacy Dispute Resolution) Scheme matter or the period on July 2014. However, our Company has paid out the liability and discharged the amount as mentioned under SVLDRS Scheme. However, our Company has not received the 'discharge certificate' for the same from the regulatory authority

- (vi) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company: NIL**

**B. Litigation by Our Company**

- (i) **All criminal proceedings:**

- **M/s Sharp Chucks & Machines Private Limited vs M/s GSK Industries & 1 other**

M/s Sharp Chucks & Machines Private Limited ("Complainant") filed a criminal complaint vide bearing Reg. No. 4965 of 2021 against M/s GSK Industries & its Partner, Mr. Gurmail Singh, Chanalon, Punjab ("Accused") under Section 138 of the Negotiable Instruments Act, 1881 in the court of Hon'ble Chief Judicial Magistrate at Jalandhar for dishonour of cheque.

The Accused had approached and placed an Order through its Partner, for purchasing of casted tractor parts which was duly supplied by the 'Complainant' vide Invoice No. 21-22/T-1481 dated June 17, 2021 for ₹5.01 Lakhs- through 'Maharaj Freight Movers'. To discharge the liability, the Accused issued a Cheque bearing No. 000567 dated July 17, 2021 for a Sum of ₹5.01 Lakhs- of Andhra Bank, Mohali. However, upon presenting the said cheque to the 'Complainant's Bank', in Canara Bank, Jalandhar, it was dishonoured and returned to the Complainant on October 07, 2021 with the remark "Account Blocked". The Complainant then issued Statutory Legal Notice through its Counsel on November 02, 2021 calling upon the Accused to pay the Value of the liability within the stipulated time of 15 days. After the wilful failure to pay the Value, the Complainant filed the Complaint against the Accused in the Court of Illaqa Magistrate, Jalandhar. However, after the non-appearance of the Accused in the consecutive hearings, the Hon'ble Judicial Magistrate First Class vide order dated August 11, 2023 bearing CIS no. NACT/4965/2021 stipulated that publication charges deposited but could not be issued due to less than 30 days. In furtherance to that the hon'ble court has given time till October 12, 2023. Therefore, the matter is presently pending.

**All actions by regulatory authorities and statutory authorities : NIL**

- (ii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against our Company in the last five financial years including outstanding action : NIL**
- (iii) **Claims related to Direct and Indirect Taxes : NIL**
- (iv) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company : NIL**

**C. LITIGATION INVOLVING OUR PROMOTER**

**Litigation against Our Promoter**

- (i) **All criminal proceeding : NIL**
- (ii) **All actions by regulatory authorities and statutory authorities: NIL**
- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action: NIL**
- (iv) **Wilful Defaulters:**
- Our Promoter does not appears on the Willful Defaulters' list as per the Reserve Bank of India Circular on Willful Defaulters'.
- (v) **Claims related to Direct and Indirect Taxes: NIL**

- (vi) **Other pending litigations – As per the policy of materiality defined by the board of directors of our Company: NIL**

**Litigation by Our Promoters**

- (i) **All criminal proceedings: NIL**  
(ii) **All actions by regulatory authorities and statutory authorities: NIL**  
(iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action: NIL**  
(iv) **Claims related to Direct and Indirect Taxes : NIL**  
(v) **Other pending litigations – As per the policy of materiality defined by the board of directors of our Company : NIL**

**D. LITIGATION INVOLVING OUR DIRECTORS**

**Litigation against Our Directors**

- (i) **All criminal proceedings : NIL**  
(ii) **All actions by regulatory authorities and statutory authorities: NIL**  
(iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against our directors in the last five financial years including outstanding action: NIL**  
(iv) **Wilful Defaulters:**  
None of our Promoters’ appear on the Wilful Defaulters’ list as per the Reserve Bank of India Circular on Wilful Defaulters’.  
(v) **Claims related to Direct and Indirect Taxes:**
- **Direct Tax: NIL**
- i. **Income Tax:**

Sr. No	Assessment Year	Document Identification Number & Date	Tax	Interest	Total Demand of Tax	Current Status
<b>Mr. Manmohan Puri (Independent Director)</b>						
1	2009	Demand Reference No. 2010200910003870975T dated January 28, 2011 issued Under Section 143(1)(a) of the Income Tax Act, 1961	820	1379	₹ 2199	The demand is pending.

ii. **Tax Deducted at Source (TDS) : NIL**

- **Indirect Tax: NIL**

- (vi) **Other pending litigations – As per the policy of materiality defined by the board of directors of our Company : NIL**

**E. Litigation by Our Directors**

- (i) **All criminal proceeding: NIL**  
(ii) **All actions by regulatory authorities and statutory authorities: NIL**  
(iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the directors in the last five financial years including outstanding action: NIL**  
(iv) **Claims related to Direct and Indirect Taxes: NIL**  
(v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company: NIL**

**F. LITIGATION INVOLVING OUR GROUP COMPANY:**

As on date of this Prospectus, the Issuer Company does not have any Group Company.

**G. LITIGATION INVOLVING OUR SUBSIDIARY:**

As on date of this Prospectus, the Issuer Company does not have any Subsidiary Company.

**MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — “**Management Discussion and Analysis of Financial Condition and Result of Operation**” on page 214 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**OUTSTANDING DUES TO CREDITORS**

As of March 31, 2023, we had 324 creditors on a consolidated basis. The aggregate amount outstanding to such creditors as on March 31, 2023 was ₹ 2319.07 Lakhs.

As per the Materiality Policy, such creditors to whom, outstanding dues to any creditor of our Company having monetary value which exceed 10% of the Trade Payables as on latest Financials, shall be considered as 'Material'. Based on the above, there are 0 (Zero) material creditor(s) of our Company as on March 31, 2023.

Details of outstanding dues owed as on March 31, 2023 to MSMEs and other creditors are set out below.

Creditors	Number of Cases	Amount due (In ₹)
MSMEs	23	180.33*
Material Creditor	Nil	Nil
Other Creditors	301	2138.74

\*including MSME provision

The details pertaining to amounts due towards the material creditors are available on the website of our Company at [www.sharpchucks.com](http://www.sharpchucks.com)

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.sharpchucks.com](http://www.sharpchucks.com), would be doing so at their own risk

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing and exporting of power chucks, lathe chucks, drill chucks, machine tools accessories, striking tools, and customized castings & forging components, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “Key Industry Regulations and Policies” on page 152 of this Prospectus.

The Company has its business located at:

<b>Registered Office</b>	Office No. A-12, Industrial Development Colony Jalandhar, Jalandhar, PB-144012, India.
<b>Manufacturing Unit or Factory</b>	1. A-11/12/13, A-17/18/26, A-20/21/22/23, A-10 Industrial Development Colony Jalandhar, Chak Hussaina Lamba Pind, Jalandhar, PB-144012, India (“ <b>Unit-I</b> ”). 2. VPO-Dhogri, Pathankot Road, Jalandhar, PB, India. (“ <b>Unit II</b> ”)

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **APPROVALS FOR THE ISSUE**

#### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on March 28, 2023, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1) (c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting held on April 15, 2023 authorized the Issue.

#### **In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated August 29, 2023 bearing reference no. NSE/LIST/2499.

#### **Agreements with NSDL and CDSL**

1. The Company has entered into an agreement dated September 08, 2014 with the Central Depository Services (India) Limited (“**CDSL**”) and the Registrar and Transfer Agent, who in this case is, Skyline Financial Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated April 07, 2014 with the National Securities Depository Limited (“**NSDL**”) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“**ISIN**”) is INE460Q01014.

### **INCORPORATION AND OTHER DETAILS**

1. The Certificate of Incorporation dated June 10, 1994, issued by Registrar of Companies Punjab, Himachal Pradesh and Chandigarh at Jalandhar, in the name of “Sharp Garden Implements Private Limited”, having Company no. 16-14701.
2. The Certificate of Incorporation consequent on change of name dated October 09, 1995, issued by Registrar of Companies Punjab, Himachal Pradesh and Chandigarh at Jalandhar, in the name of “Sharp Chucks And Machines Private Limited”, having Company no. 16-14701, the Company converted into Public limited Company on August 12, 2004.
3. The fresh Certificate of Incorporation Consequent upon change of name on conversion to Private Limited Company dated February 27, 2014, issued by the Ministry of Corporate Affairs, Registrar of

Companies Punjab, Himachal Pradesh, and Chandigarh at Jalandhar, in the name of “Sharp Chucks And Machines Private Limited” previously having CIN No. U27106PB1994PTC014701.

4. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on December 20, 2022, by the Registrar of Companies, Chandigarh, in the name of “Sharp Chucks And Machines Limited”.
5. The Corporate Identification Number (CIN) of the Company is U27106PB1994PLC014701.

**APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Description	Authority/Applicable Law	Registration No./Reference No./ License No./Certificate No.	Date of Issue	Date of Expiry
1.	Udyam Registration Certificate for Sharp Chucks and Machines Limited	Ministry of Micro, Small and Medium Enterprises	UDYAM-PB-10-0009518	March 25, 2021	Perpetual
2.	Udyog Aadhaar Registration Certificate for VPO-Dhogri, Pathankot road, Jalandhar, Punjab, India	Ministry of Micro, Small and Medium Enterprises	PB10B0003653	June 21, 2017	Perpetual
3.	Udyog Aadhaar Registration Certificate unit no. A-10-26 Industrial Development Colony, Jalandhar, Punjab, India	Ministry of Micro, Small and Medium Enterprises	PB10C0001141	May 23, 2016	Perpetual
4.	Registration and License to Work as Factory under the Factories Act, 1948 for Pathankot Road, VPO Dhogri, Jalandhar	Government of Punjab	JAL0FL3862	January 04, 2023	December 31, 2023
5.	Registration and License to Work as Factory under the Factories	Government of Punjab	JAL0FL8686	January 04, 2023	December 31, 2023

Sr. No.	Description	Authority/Applicable Law	Registration No./Reference No./License No./Certificate No.	Date of Issue	Date of Expiry
	Act, 1948 for A-17,18,26, Industrial Estate, Jalandhar				
6.	Registration and License to Work as Factory under the Factories Act, 1948 for A-20,21,22, Industrial Estate, Jalandhar	Government of Punjab	JAL0FL2007	January 04, 2023	December 31, 2023
7.	Registration and License to Work as Factory under the Factories Act, 1948 for A-10, Industrial Estate, Jalandhar	Government of Punjab	JAL0FL3717	January 04, 2023	December 31, 2023
8.	Certificate of Importer-Exporter Code (IEC)	Ministry of Commerce and Industry	3002005452	May 08, 2014  Date of Issue: August 19, 2002	Perpetual

#### **TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AACCS0690M	February 22, 2023	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	JLDS00293G	December 09, 2002	Perpetual

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
3.	Goods and Service Tax Identification Number (GSTIN)*	Government of India	03AACCS0690M1ZB	September 20, 2017	Perpetual
4.	Punjab State Development Tax (PSDT)**	Department of Excise and Taxation	E14ABLPS8490A	NA	NA

\*In GSTIN certificate, there are 5 addresses mentioned for operation of business, company is in the process of updating more addresses.

\*\*Company has only received the copy of acknowledgement receipt for the PSDT, Company is in a process to apply the change of name from “Sharp Chucks And Machines Private Limited” To “Sharp Chucks And Machines Limited”.

#### **LABOUR RELATED APPROVALS/REGISTRATIONS**

Sr. No.	Description	Authority	Establishment ID/ Employer's Code No.	Date of Issue	Date of Expiry
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952) for Sharp Chucks and Machine Private Ltd. for A-12 of Industrial Estate, Industrial Development Colony, Jalandhar, -144004	Employees Provident Fund Organisation, Ministry of Labour, Government of India	LDJAL002609900	August 23, 2017	Perpetual
2.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952) for Pathankot Road, VPO Dhogri, Jalandhar Sharp Chucks and Machines Pvt. Ltd.	Employees Provident Fund Organisation, Ministry of Labour, Government of India	LDJAL164668900	September 20, 2017	Perpetual
3	Registration for Employees State Insurance (under Employees State Insurance Act, 1948) for Sharp Chucks and Machine Ltd*	Employees State Insurance Corporation	Employer's Code No: 290002014600005 99	NA	NA
4.	Registration for Employees State Insurance (under Employees State Insurance Act, 1948)	Employees State Insurance Corporation	Employer's Code No: 290006288100006 99	NA	NA

Sr. No.	Description	Authority	Establishment ID/ Employer's Code No.	Date of Issue	Date of Expiry
	for Sharp Chucks and Machines Pvt. Ltd.				

\*The Employees State Insurance certificates are not traceable. However, the Company has challans to support the same. For more information please refer 'Risk Factor' on page no. 23.

**ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS**

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Air Consent to Operate u/s 21 of Air (Prevention & Control of Pollution) Act, 1981 for A-10 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar I, Jalandhar-144004	Punjab Pollution Control Board	CTOA/Renewal/JAL/2019/11205232	September 17, 2019	September 30, 2024
2.	Air Consent to Operate u/s 21 of Air (Prevention & Control of Pollution) Act, 1981 for Vpo-Dhogri, Pathankot road, Jalandhar, PB, India.	Punjab Pollution Control Board	CTOA/Renewal/JAL1/2021/16803227	December 31, 2021	September 30, 2026
3.	Water Consent to operate u/s 25/26 of Water (Prevention & Control of Pollution) Act, 1974 for A-10 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar-144004	Punjab Pollution Control Board u/s 25/26 of Water (Prevention & Control of Pollution) Act, 1974	CTOW/Fresh/JAL/2019/11205331	September 17, 2019	September 30, 2024

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
4.	Water Consent to operate u/s 25/26 of Water (Prevention & Control of Pollution) Act, 1974 for Vpo-Dhogri, Pathankot road, Jalandhar, PB, India.	Punjab Pollution Control Board u/s 25/26 of Water (Prevention & Control of Pollution) Act, 1974	CTOW/Fresh/JAL/2021/16803230	December 31, 2021	September 30, 2026
5.	License for operating facility of collection, storage, rescue, disposal for A-10 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar-144004	Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016	HWM/renew/JAL/2019/11205399	October 07, 2019	October 06, 2024
6.	Fire safety certificate for Industrial Estate Jalandhar	Punjab Fire Service	NOC No 1013-73728-Fire/54226	June 13, 2023	June 14, 2024
7.	Fire safety certificate for Vpo-Dhogri, Pathankot road, Jalandhar, PB, India	Punjab Fire Service	NOC No 1013-69776-Fire/50791	April 19, 2023	April 20, 2024

#### **OTHER BUSINESS-RELATED APPROVALS**

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Registration for Vpo-Dhogri, Pathankot road, Jalandhar, PB, India.	Social Accountability System – SA 8000:2014	SA 694250	November 02, 2021	October 23, 2024

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
2.	IATF Certificate for A-10, 11, 12, 13 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar I, Jalandhar-144004	IATF 16949:2016	0429150	October 12, 2021	October 11, 2024
3.	ISO Certificate for A-10, 11, 12, 13 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar I, Jalandhar-144004	ISO 9001:2015	011001637115	October 12, 2021	October 11, 2024
4.	Certificate of Registration for Vpo-Dhogri, Pathankot road, Jalandhar, PB, India.	Quality Management System-ISO 9001:2015	FM 707389	June 08, 2022	May 01, 2025

## **INTELLECTUAL PROPERTY RIGHTS**

### **TRADEMARK**

We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

Sr. No.	Logo	Trademark	Class	Applicant	Application Number	Date of Application	Registration Status
1.		Sharp with Device	07	Sharp Chucks & Machines Limited	01628029	December 05, 2007	Abandoned
2.	-	Sharp	07	Sh. Ajay Sikka	699671	February 26, 1996	Abandoned

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

For more details please refer to chapter titled **“Risk Factor”** beginning on page 23 of this Prospectus.

### **Domain Name**

Sr. No.	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Registrar IANA ID	Creation Date	Registry Expiry Date
1.	Domain name: Sharpchucks.com	40257757_DOMAIN_COM-VRSN	Registrant name: M/S SHARP IMPEX  ID: <a href="mailto:webmaster@worldindia.com">webmaster@worldindia.com</a>	2	November 08, 2000	November 08, 2023

### **PENDING APPROVALS/ KEY APPROVALS APPLIED FOR BY THE COMPANY BUT NOT RECEIVED:**

License for operating facility of collection, storage, rescue, disposal for Unit II i.e., Vpo Dhogri has expired and renewal is under the process.

**MATERIAL APPROVALS EXPIRED AND RENEWALS YET TO BE APPLIED FOR**

Except mentioned below, there are no material approvals which have expired and for which renewal applications are yet to be made by our Company as on the date of this Prospectus

Sr. No.	License/ Certificate	Particular
1.	<ul style="list-style-type: none"> <li>• Certificate of Importer-Exporter Code (IEC)</li> <li>• Tax Deduction Account Number (TAN)</li> <li>• Punjab State Development Tax (PSDT)</li> <li>• Employees Provident Fund Registration certificate for unit A-12 Industrial Estate.</li> <li>• Employees Provident Fund Registration certificate for Vpo Dhogri, Jalandhar Sharp Chucks and Machines Pvt. Ltd.</li> <li>• Registration for Employees State Insurance (under Employees State Insurance Act, 1948) for Sharp Chucks and Machine Ltd.</li> <li>• Employees State Insurance (under Employees State Insurance Act, 1948) for Pathankot Road, VPO Dhogri, Jalandhar Sharp Chucks and Machines Pvt. Ltd.</li> <li>• Air Consent to Operate u/s 21 of Air (Prevention &amp; Control of Pollution) Act, 1981 for A-10 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar I, Jalandhar-144004.</li> <li>• Air Consent to Operate u/s 21 of Air (Prevention &amp; Control of Pollution) Act, 1981 for Vpo-Dhogri, Pathankot road, Jalandhar, PB, India.</li> <li>• Water Consent to operate u/s 25/26 of Water (Prevention &amp; Control of Pollution) Act, 1974 for A-10 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar-144004.</li> <li>• Water Consent to operate u/s 25/26 of Water (Prevention &amp; Control of Pollution) Act, 1974 for Vpo-Dhogri, Pathankot road, Jalandhar, PB, India.</li> <li>• License for operating facility of collection, storage, rescue, disposal for A-10 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar-144004.</li> <li>• Fire safety certificate for Vpo-Dhogri, Pathankot road, Jalandhar, PB, India.</li> <li>• Certificate of Registration for Vpo-Dhogri, Pathankot road, Jalandhar, PB, India.</li> <li>• IATF Certificate for A-10, 11, 12, 13 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar I, Jalandhar-144004.</li> <li>• ISO Certificate for A-10, 11, 12, 13 Industrial Estate, Industrial Development Colony, Jalandhar, Jalandhar I, Jalandhar-144004.</li> </ul>	Change of name from “SHARP CHUCKS AND MACHINES PRIVATE LIMITED” to “SHARP CHUCKS AND MACHINES LIMITED”.
2.	License for operating facility of collection, storage, rescue, disposal for Unit II i.e., VPO Dhogri	Company has applied for renewal of the license vide application no. 22736210

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

- a) The Board pursuant to its resolution dated March 28, 2023, authorised the Offer subject to approval of the shareholders of our Company under section 62(1)(c) of the Companies Act, 2013.
- b) The shareholders of our Company have, by a special resolution passed at the EGM held on April 15, 2023 approved and authorised the Offer.
- c) The Board has approved and taken on record the Draft Prospectus and Prospectus pursuant to resolution dated June 30, 2023 and September 23, 2023 respectively
- d) The Selling Shareholder, through its letter dated June 28, 2023 conveyed its consent for sale of 19,28,516 Equity Shares forming part of the Offer for Sale.
- e) In-Principle Approval from vide their letter dated August 29, 2023 to use the name of NSE in this Prospectus for listing of our Equity Shares on EMERGE Platform of NSE. National Stock Exchange of India Limited (“NSE EMERGE”) is the Designated Stock Exchange.

### APPROVAL FROM SELLING SHAREHOLDER

The Selling Shareholder i.e., SIDBI Trustee Company Limited A/c India Opportunities Fund have authorised and confirmed their participation in the Offer for Sale as stated below. The Equity Shares being offered for sale by the Selling Shareholder have been held for a period of at least one (01) year immediately preceding the date of this Prospectus or are otherwise eligible for being offered for sale in terms of SEBI ICDR Regulations. For more details, please refer to chapter titled “*Capital Structure*” on page 59.

Selling Shareholder	Number of Offered Equity Shares	Date of Consent Letter	% of the pre - Offer paid - up Equity Share capital of our Company
SIDBI Trustee Company Limited A/c India Opportunities Fund	19,28,516	June 28, 2023	19.71%

Selling Shareholder confirm that they are in compliance with Regulation 8 of the SEBI ICDR Regulations, and they have held their respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Prospectus.

### PROHIBITION BY THE SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, our Promoters, our Promoter Group, our Directors, Person in control of our Company and Selling Shareholder, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities as on the date of this Prospectus.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### DIRECTORS ASSOCIATION WITH SECURITIES MARKET

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### PROHIBITION BY RBI

Neither our Company, our subsidiary, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter titled “*Outstanding Litigations and Material Development*” beginning on page 228 of this Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoters and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 as amended (“**SBO Rules**”), to the extent applicable to each of them as on the date of this Prospectus.

## ELIGIBILITY FOR THE ISSUE

Our company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and up to twenty-five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the EMERGE Platform of NSE or “NSE EMERGE”). Our Company also complies with eligibility conditions laid by EMERGE Platform of NSE for listing of Equity Shares.

### We confirm that:

- a. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, 2018, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- b. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Prospectus/Prospectus
- c. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see “*General Information*” beginning on page 50 of this Prospectus.
- d. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee’s in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded as per compliance with laws.
- e. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of (3) three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “*General Information*” beginning on page 50 of this Prospectus.
- f. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
- g. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
- h. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to EMERGE Platform of NSE and NSE is the Designated Stock Exchange.
- i. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- j. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
- k. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialized form.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on EMERGE Platform of NSE which states as follows:

### 1. The issuer should be a Company incorporated Under Companies Act 1956 / 2013 in India.

Our Company was originally incorporated in Jalandhar, Punjab as “Sharp Garden Implements Private Limited”, a private company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 10, 1994 issued by the Registrar of Companies, Punjab, H.P & Chandigarh. Thereafter, the name of our Company was changed to “Sharp Chucks and Machines Private Limited” a certificate of incorporation pursuant to change of name dated October 09, 1995 was issued by Registrar of Companies, Chandigarh, Punjab. Further, our Company was converted from a private limited company to a public limited company and consequently, the name of our Company was changed to “Sharp Chucks and Machines Limited”, and a fresh certificate of incorporation dated August 12, 2004 was issued by the Registrar of Companies, Punjab, H.P & Chandigarh to our Company. Thereafter, our Company, converted from a public limited company into a private limited company and consequently, the name of our Company was changed to “Sharp Chucks And Machines Private Limited”, and a fresh certificate of incorporation dated February 27, 2014 was issued by the Registrar of Companies, Punjab and Chandigarh to our Company. Subsequently, our Company was converted from a private limited company into a public limited company, pursuant to a special resolution passed by the shareholders at the extraordinary general meeting dated December 07, 2022 and consequently, the name of our Company was changed to “Sharp Chucks and Machines Limited”, and a fresh certificate of incorporation was granted by the Registrar of Companies, Chandigarh dated December 20, 2022.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital of the Company will be less than ₹ 25 crores.

**3. Net Tangible Assets of ₹ 150.00 Lakhs**

The Company's Net Tangible Assets as on March 31, 2023 is ₹ 5226.29 Lakhs.

**4. Track Record**

Our Company has a track record of 3 Years as on the date of filing Prospectus

**A) The company should have positive operating profits (earnings before depreciation and tax) from operations for at least 2 financial years out of preceding three financial years and its net-worth as on March 31, 2023, March 31, 2022 and March 31, 2021 is positive.**

(₹ in lakhs)

Particulars	As at March 31, 2023	As on 31st March 2022	As on 31st March 2021
Profit Before Tax as per Restated Financial Statements	716.73	640.70	470.90
<b>Add</b> - Depreciation and amortization expenses	568.63	471.69	397.04
<b>Add</b> - Finance cost	853.45	659.48	641.25
<b>Add- Tax</b>	210.23	188.08	139.94
<b>Less</b> - Other Income	286.48	61.45	37.17
Operating profit (earnings before interest, depreciation and tax) from operation	1852.33	1710.42	1472.02
<b>Net worth</b>	<b>5,234.79</b>	<b>4,728.29</b>	<b>4,275.67</b>

**5. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN: INE460Q01014

**6. Company shall mandatorily have a website.:**

Our Company has a live and operational website: [www.sharpchucks.com](http://www.sharpchucks.com)

**7. Other Listing Condition:**

- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to NSE for listing on EMERGE Platform of NSE
- Our Company confirms that there is no material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
- Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- None of the Directors of our Company have been categorized as a Willful Defaulter or fraudulent borrowers.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the EMERGE Platform of the National Stock Exchange of India Limited ("NSE EMERGE").

**COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS, 2018**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations, 2018. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, 2018, with respect to the Issue.

**SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCEUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY**

**SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS OFFER DOCEUMENT/ OFFERDOCUMENT. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS OFFER DOCEUMENT/ OFFERDOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT OFFER DOCEUMENT/ OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2023, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT OFFER DOCEUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26 OF THE COMPANIES ACT, 2013.**

**DISCLAIMER FROM OUR COMPANY, SELLING SHAREHOLDER, DIRECTORS AND THE LEAD MANAGER**

Our Company, Selling Shareholder, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of the above-mentioned and that anyone placing reliance on any other source of information, including our website: [www.sharpchucks.com](http://www.sharpchucks.com), [www.fedsec.in](http://www.fedsec.in) would be doing so at his or her own risk.

It is clarified that neither the respective Selling Shareholder nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statement made or undertakings provided other than those made by the respective Selling Shareholder, and only in relation to it and/or to the Equity Shares offered by such Selling Shareholder through the Offer for Sale and included in this Prospectus and anyone placing reliance on any other source of information, including our Company's website [www.sharpchucks.com](http://www.sharpchucks.com) would be doing so at his or her own risk.

The LM accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement, executed between the Underwriters and our Company.

All information shall be made available by our Company, the Selling Shareholder (to the extent that the information pertain to themselves and their respective portions of the Offered Shares through the Offer Documents), and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise and the blocking of application amount by RIB bank on receipt of instruction from the Sponsor Bank on account of any error, omission or non-compliance by various parties involved in, or any fault, malfunctioning or break-down in, or otherwise, in the UPI Mechanism.

Prospective investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, Underwriters, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, Underwriters, Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Manager and their associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, the Selling Shareholder and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, members of the Promoter Group, the Selling Shareholder and their respective directors, officers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation

**CAUTION**

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives

that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The LM and its respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder, the Promoter and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter and their respective directors and officers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Chandigarh only.

#### **Investors eligible under Indian law to participate in the Offer**

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, permitted insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, permitted provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by the army and navy or air force of Union of India and insurance funds set up and managed by the Department of Posts, India, systemically important NBFCs registered with the RBI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose, except that the Prospectus has been filed at EMERGE Platform of NSE for its observations and NSE I will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and the Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

This Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Neither the delivery of this Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholder since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to this date

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE LIMITED**

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2394 dated August 18, 2023, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

## LISTING

Our company has obtained In-Principle Approval from NSE vide letter dated August 29, 2023 to use name of NSE Limited in this offer document for listing of equity shares on EMERGE Platform of NSE. In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from EMERGE of NSE. Application will be made to the EMERGE Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid / Offer Closing Date or within such other period as may be prescribed. Each Selling Shareholder confirms that they shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid / Offer Closing Date, or within such other period as may be prescribed. If the Company does not Allot the Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law.

## CONSENTS

The written consents of our Promoters, Selling Shareholder, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to Issue and Sponsor Bank to act in their respective capacities will be obtained prior to filing of the Prospectus with the RoC.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

Our Company has received written consent dated September 16, 2023 from the Peer Review Auditor namely, JMR & Associates LLP, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus/Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity and in respect to their Report on Restated Financial Statements dated September 16, 2023 and Report on Statement of Tax Benefits dated September 23, 2023 and issued by them, included in this Draft Prospectus/Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent dated September 19, 2023 from the Statutory Auditor namely, M/s. Sharp & Tannan, Chartered Accountant to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus/Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity and in respect to their Audited Financial Statement for the Financial year ended on March 31, 2023, March 31, 2022, March 31, 2021 & March 31, 2020 issued by them, included in this Draft Prospectus/Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has also received written consent dated September 12, 2023, from R.P. Gupta & Associates, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus/Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of certifications issued by them in their capacity as independent chartered accountant to our Company and issued by them, included in this Draft Prospectus/Prospectus and such consent has not been withdrawn as on the date of this Prospectus

Additionally, our Company has also received written consent dated September 09, 2023, from the Chartered Engineer, Kunwar Sunil Kumar, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in relation to their certificate on the details of capacity and capacity utilization of our Company, included under “*Our Business*” on page 131 of this Prospectus

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## PERFORMANCE VIS-À-VIS OBJECTS;

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Prospectus.

None of our Group Companies have their equity shares listed on any stock exchange.

## PREVIOUS PUBLIC OR RIGHTS ISSUE

As on date of this Prospectus, our Company does not have a corporate promoter or subsidiary.

## UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION PAID ON PREVIOUS ISSUES OF THE EQUITY SHARES

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Prospectus.

## CAPITAL ISSUE DURING THE PREVIOUS THREE (3) YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page 59 of this Prospectus and below, our Company has not made any capital issue during the previous three (3) years.

Further Our Company do not have any listed group Companies/ Subsidiaries / Associates.

## PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at [www.fedsec.in](http://www.fedsec.in)

### Annexure A

#### DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

**TABLE 1**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, (+/- % change in closing benchmark)- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 180 <sup>th</sup> calendar days from listing
1.	Sunrise Efficient Marketing Limited	16.69	121	April 12, 2022	121.25	0.41% (-7.66%)	-20.00% (-7.14%)	-9.92% (-1.00%)
2.	Le Merite Exports Limited	48.00	75	May 09, 2022	75	-5.13% (0.70%)	-16.00% (7.50%)	-15.27% (273.89%)
3.	Kesar India Limited	15.82	170	July 12, 2022	172.50	47.35% (9.15%)	31.76% (7.62%)	1.18% (12.73%)
4.	Virtuoso Optoelectronics Limited	30.24	56	September 15, 2022	117.00	183.75% (-3.36%)	145.54% (4.34%)	185.80% (-2.83%)
5.	Tapi Fruit Processing Limited	5.21	48	September 22, 2022	52.10	4.38% (-0.30%)	41.67% (4.29%)	201.04% (-3.64%)
6.	Moxsh Overseas Educon Limited	10.42	153	December 30, 2022	131.00	-29.74% (-3.22%)	-50.26% (-6.10%)	-24.84% (4.79%)
7.	Lead Reclaim and Rubber Products Limited	4.88	25	February 21, 2023	27.50	27.80% (-3.79%)	131.20% (2.74%)	95.00% (8.79%)
8.	Pattech Fitwell Tube Components Limited	12	50	April 21, 2023	55	52.00% (3.29%)	27.90% (12.53%)	Not Applicable
9.	Yasons Chemex Care Limited	20.57	40	August 03, 2023	32	(8.00%) (0.28%)	Not Applicable	Not Applicable
10.	Pramara Promotions Limited	15.27	63	September 13, 2023	111.00	Not Applicable	Not Applicable	Not Applicable

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**Note:**

1. Opening price information as disclosed on the website of the Designated Stock Exchange.
2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

4. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
5. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
6. This disclosure is restricted to last 10 issues handled by the Lead Manager.

**2. TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar Day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar Day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar Day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar Day from listing date		
			Over 50 %	Betwe en 25-50%	Les s than 25 %	Over 50 %	Betwe en 25-50%	Les s than 25 %	Over 50 %	Betwe en 25-50%	Les s than 25 %	Over 50 %	Betwe en 25-50%	Les s than 25 %
2020-21	*2	49.64	-	-	1	-	-	1	-	-	1	1	-	-
2021-22	**5	153.99	1	-	2	1	-	1	1	1	-	-	1	2
2022-23	***7	131.26	-	1	1	1	2	2	-	-	3	3	-	1
2023.-24	****3	47.84	-	-	1	1	-	-	-	-	-	-	-	-

\*The script of Atam Valves Limited and Rangoli Tradecomm Limited were listed on October 06, 2020 and March 22, 2021 respectively.

\*\* The script of Rajeshwari Cans Limited, Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited, Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.

\*\*\* The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited, Kesar India Limited, Virtuoso Optoelectronics Limited, Tapi Fruit Processing Limited, Moxsh Overseas Educon Limited and Lead Reclaim and Rubber Products Limited were listed on April 12, 2022, May 09, 2022, July 12, 2022, September 15, 2022, September 22, 2022, December 30, 2022 and February 21, 2023 respectively.

\*\*\*\* The scripts of Pattech Fitwell Tube Components Limited and Yasons Chemex Care Limited were listed on April 21, 2023 and August 03, 2023, respectively has not completed 180 calendar days. The scripts of Pramara Promotions Limited was listed on September 13, 2023 has not completed 30 and 180 calendar days.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided.

#### TRACK RECORD OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.fedsec.in](http://www.fedsec.in).

#### STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

#### MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Offer and our Company provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All Offer related grievances, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, UPI ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents / information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. For offer related grievances, investors may contact the Lead Managers details of which are given in "**General Information**" on page 50 of this Prospectus.

SEBI, by way of its circular dated March 16, 2021 as amended by its circulars dated June 2, 2021 and April 20, 2022, has identified the need to put in place measures, in order to streamline the processing of ASBA applications through the UPI Mechanism and redressal of investor grievances arising out of the UPI Mechanism inter alia in relation to

delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment / non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks / unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid / Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted / partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid / Offer Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Lead Manager shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Our Company, the LM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

#### DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular

(SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details of our Stakeholders Relationship Committee, please see “Our Management” on page 164 of this Prospectus.

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be ten (10) working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has also appointed Rajat Kathpalia as the Company Secretary and Compliance Officer of our company for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Name:** Rajat Kathpalia  
A-12 Industrial Development Colony  
Jalandhar - 144012  
Punjab, India  
**Tel No:** +91 181 -2610341  
**Email:** [cs@sharpchucks.com](mailto:cs@sharpchucks.com)  
**Website:** [www.sharpchucks.com](http://www.sharpchucks.com)

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS GRANTED BY SEBI**

Our Company has not undertaken any exemption with related to provision of securities law granted by SEBI.

## SECTION VIII - OFFER INFORMATION

### TERMS OF OFFER

*The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the GoI, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer*

#### **Authority for the Present Offer**

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder. Expenses for the Offer shall be borne by our Company. For more details please refer to the chapter titled **“Objects of the Offer”** beginning on page 94 of this Prospectus.

The Offer has been authorized by a resolution of our Board passed at their meeting held on March 28, 2023 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Offer by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of the Company held on April 15, 2023.

The offer for sale by Selling Shareholder for 19,28,516 Equity Shares authorized by its respective Authorization letter dated June 28, 2023.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the chapter titled **“Main Provisions of the Articles of Association”** beginning on page 283 of this Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to chapter titled **“Dividend Policy”** and **“Main Provisions of Articles of Association”** beginning on pages 222 and 283 respectively of this Prospectus.

#### **Face Value and Offer Price**

*The face value of the Equity Shares is ₹ 10.00/- each and the Offer Price is ₹58/- per equity share (including premium of ₹48/- per equity share)*

The Offer Price is determined by our Company and Selling Shareholder in consultation with the Lead Manager and is justified under the chapter titled **“Basis for Offer Price”** beginning on page 102 of this Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

#### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the chapter titled “*Main Provisions of Articles of Association*” beginning on page 283 of this Prospectus.

#### **Allotment only in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated April 07, 2014 between our Company, NSDL and the Registrar and Share Transfer Agent to the Offer.
- Tripartite agreement dated September 08, 2014 between our Company, CDSL and the Registrar and Share Transfer Agent to the Offer.

**The Company’s shares bear ISIN: INE460Q01014**

#### **Minimum Application Value; Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares and the same may be modified by EMERGE Platform of National Stock Exchange of India Limited from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

#### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and all the monies blocked by the SCSBs shall be unblocked as per compliance with laws.

#### **Joint Holders**

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Chandigarh, Punjab, India.

#### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one (1) person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## OFFER PROGRAM

<b>OFFER OPENS ON</b>	Friday, September 29, 2023
<b>OFFER CLOSES ON</b>	Wednesday, October 04, 2023
<b>FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE</b>	On or about Monday, October 09, 2023
<b>INITIATION OF REFUNDS / UNBLOCKING OF FUNDS FROM ASBA ACCOUNT</b>	On or about Tuesday, October 10, 2023
<b>CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES</b>	On or about Wednesday, October 11, 2023
<b>COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE</b>	On or about Thursday, October 12, 2023

- *In terms of Regulation 265 of ICDR Regulations, the Offer shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.*
- *In terms of Regulation 266 (3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances or for reason considered necessary by our Company, our Company may, for reasons to be recorded in writing, extend the Offer Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Offer Period not exceeding ten (10) working days*
- *UPI mandate end time and date shall be at 5.00 p.m. on Issue Closing Date*

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer LM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the March 2021 Circular, as amended pursuant to June 2021 Circular shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholder or the Lead Manager.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31,2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021,SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023,in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Further, in terms of circulars prescribed by SEBI from time to time, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the LM ,and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholder or the LM.

While the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid / Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company and the Selling Shareholder in consultation with the LM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock

Exchanges and in accordance with the applicable laws. The Selling Shareholder confirm that they shall extend complete co-operation required by our Company and the LM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Issue / Offer Closing Date, or within such other period as may be prescribed.

In terms of the UPI Circulars, in relation to the Offer, the LM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within timeline, identifying non-adherence to timelines and processes and analysis of entities responsible for the delay and the reasons associated with it. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

**Submission of Application Forms:**

<b>Offer period (except the Offer Closing Date)</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. to 5.00 p.m. IST
<b>Offer Closing Date</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. to 3.00 p.m. IST

*\*UPI mandate end time and date shall be at 5.00 pm on Issue Closing Date.*

**On the Offer Closing Date, the Applications shall be uploaded until:**

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchange.

On Bid / Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the LM to the Stock Exchanges.

**The Registrar to the Offer shall submit the details of cancelled / withdrawn / deleted applications to the SCSB’s on daily basis within 60 minutes of the Bid closure time from the Bid / Offer Opening Date till the Bid / Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB’s shall unblock such applications by the closing hours of the Working Day.**

**To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.**

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Application will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in the Red Herring Prospectus was IST. Bidders were cautioned that, in the event a large number of Bids were received on the Bid/Offer Closing Date, some Bids could not have gotten uploaded due to lack of sufficient time. Such Bids that could not be uploaded were not considered for allocation under the Offer. Bids were accepted only during Monday to Friday (excluding any public holiday).

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company and the Selling Shareholder, in consultation with the LM, reserve the right to revise the Price or size during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price shall not exceed 20% size or amount move up or down to the extent of 20% of size or price

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Offer) period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Offer Period not exceeding ten (10) working days.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Offer Closing Date. Allocation to Retail Individual Applicants, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from NSE EMERGE may be taken as the final data for the purpose of Allotment.

### **Minimum Subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Issue Closing Date, or if the subscription level falls below the thresholds mentioned above after the Issue Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. Subject to any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be first made towards the Fresh Issue and subsequently, in respect of the Offered Shares pursuant to the Offer for Sale on a pro-rata basis in a manner proportionate to the respective portion of the Offered Shares of each Selling Shareholder.

Further, in accordance with Regulation 268 (1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 50 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 2,000 Equity shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of National Stock Exchange of India Limited.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

The lock-in of the pre-offer capital of our Company as provided in “*Capital Structure*” beginning on page 59 of this Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 283 of this Prospectus.

### **Migration to Main Board**

In accordance with the Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the NSE EMERGE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI ICDR Regulations. The Company need to complied the circulars as amended by the NSE for migration from SME Exchange to Main Board.

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of NSE from the NSE EMERGE on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above ₹25 crores by virtue of any further offer of capital by way of rights, preferential offer, bonus offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
2. If the paid-up capital of the Company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Offer is proposed to be listed on the EMERGE Platform National Stock Exchange of India Limited (NSE EMERGE), wherein the Lead Manager to this Offer shall ensure compulsory Market Making through the registered Market Makers of the EMERGE Platform of National Stock Exchange of India Limited for a minimum period of three (3) years from the date of listing of shares offered through this Prospectus. For further details

of the agreement entered into between the Company, the Lead Manager and the Market Maker please see ***“General Information”*** beginning on page 50 of this Prospectus.

#### **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

#### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

#### **Withdrawal of the Offer**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our company withdraw the Issue any time after the Issue Opening Date but before the Board meeting for Allotment, in such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of the Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, our post Offer face value capital exceeds ten crore rupees but not more than twenty-five crore rupees. The Company shall Offer specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE EMERGE). For further details regarding the salient features and terms of this Offer, please see the chapters titled “*Terms of the Offer*” and “*Offer Procedure*” beginning on page 250 and 258 respectively of this Prospectus.

This Offer comprised of Initial Public Offering of 29,04,000 Equity Shares for Cash at an Offer Price of ₹58/- per equity share (including premium of ₹48/- per equity share) comprising of Fresh Offer of 9,75,484 Equity Shares for Cash at an Offer Price ₹58/- per equity share (including premium of ₹48/- per equity share) aggregating ₹565.78 Lakhs by our Company and Offer for sale of 19,28,516 Equity Shares for Cash at an Offer Price ₹58/- per equity share (including premium of ₹48/- per equity share) aggregating ₹1,118.54 Lakhs by the Selling Shareholder.

Particulars	Net Offer to Public	Market Maker Reservation Portion
Number of Equity Shares <sup>(1)</sup>	27,56,000*	1,48,000
Percentage of Offer Size available for allotment or allocation	94.90% of the Issue Size. 25.61% of the Post Issue Paid up capital	5.10% of the Issue Size. 1.38% of the Post Issue Paid up capital
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 2,000 Equity Shares and Further allotment in multiples of 2,000 Equity Shares each.	Firm Allotment
Mode of Application	Retail Individual Investor may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only.	Through ASBA mode Only.
Minimum Application Size	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 <b>For Retail Individuals:</b> Such number of equity shares where application size is of at least 2,000 Equity Shares.	13,78,000 Equity Shares
Maximum Bid	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Size does not exceed the Net Offer. <b>For Retail Individuals:</b> Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/-	13,78,000 Equity Shares
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	2,000 Equity Shares	2,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to chapter titled “*Offer Structure*” on page 256 of this Prospectus.

<sup>(1)</sup> Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty per cent to retail individual investors; and
- b) Remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

<sup>(2)</sup> In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Note: If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage**

Note:

1. In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.
2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Offer.
3. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Offer Closing Date, the Applicant shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Applicant shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 which for the avoidance of doubt shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs to the extent applicable

*This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details please refer chapter titled “Offer Procedure” beginning on page 258 of this Prospectus.*

## OFFER PROCEDURE

All Applicants should read the General Information Document for Investing in Public Offer (“GID”), prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI and updated pursuant to the circular SEBI/HO/CFD/DIL2/CIR/P/2 dated March 30, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public Offer in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange, the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company, Selling Shareholder and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company, Selling Shareholder and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days. The same was applicable until June 30, 2019 (“UPI Phase I”).

With effect from July 1, 2019, with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public Offer, whichever is later (“UPI Phase II”). Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 01, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, pursuant to the May 30, 2022 Circular, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In terms of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Lead Manager shall continue to coordinate with intermediaries involved in the said process.

Further, our Company, the Selling Shareholder do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Prospectus.

Our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

The revisions of the circular dated June 02, 2021 are elaborated as under: -

- SCSB's shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Offer opening on/after January 01, 2022.
- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Offer opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.
- In the interim, for the Public Offer opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Offer process.
- The Stock Exchanges and Lead Manager shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Offer.
- The Registrar to the Offer shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.
- The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Offer, not later than 5:00 PM on BOA+1.
- Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Offer shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Applications money to four days. Applicant are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Offer.

Further the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Offer and Share Transfer Agent ("RTA") that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a **UPI Circulars** in relation to streamlining the process of public Offer of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public Offer closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

#### ***Phase I:***

This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

#### ***Phase II:***

This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by

an RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice.

**Phase III:**

The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (the “UPI Streamlining Circular”), SEBI

has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post-Offer LM will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the LM.

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all Retail Individual Bidders applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- (i) a syndicate member;
- (ii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
- (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

**Fixed Price Offer Procedure**

The Offer is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Offer is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Offer Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Offer and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form.** However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

- a. The Designated Intermediary may register the Application using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Fixed Process on a regular basis before the closure of the Offer.
- b. On the Application/ Offer Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchange and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Application/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Application/Issuer Period after which the Stock Exchange send the information to the Registrar to the Offer for further processing.

#### **Availability of Prospectus and Application Forms**

Copies of the Application Form and the Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Offer Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Offer only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

All Applicants must compulsorily use the ASBA process to participate in the Issue, which shall include the UPI Mechanism in the case of UPI Bidders.

ASBA Applicants must provide either (i) the bank account details and authorization by the ASBA account holder to block funds in their respective ASBA Accounts, or (ii) the UPI ID (in case of UPI Bidders using UPI Mechanism), as applicable, in the relevant space provided in the Application Form and the Application Form that does not contain such details are liable to be rejected

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Since the Offer is made under Phase II, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIIs (not using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all the initial public offerings opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The ASBA Bidders, including UPI

Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder. The circular is applicable for all categories of investors viz. Retail Individual Investors, QIBs and Non-Institutional Investors and also for all modes through which the applications are processed.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*

\*Excluding electronic Application Form.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with the Exchange Circulars, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the LM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022

**Participation by Promoters, Promoter Group, the LM, associates and affiliates of the LM and the Syndicate Members and the persons related to Promoters, Promoter Group, LM and the Syndicate Members**

The LM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue, except in accordance with the applicable law.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**For Retail Individual Applicants**

The Application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

### ***For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):***

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2,000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Offer Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

### **Participation by associates/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Offer, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis

### **Option to Subscribe to the Offer**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

### **Application By HUF**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs will be considered at par with Bids from individuals.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

### **Application by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("NRE Account"), or Foreign Currency Non-Resident Accounts ("FCNR Account"), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in

case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Pursuant to the special resolution dated January 31, 2022 by the Shareholders, the aggregate ceiling of 10% was raised to 24%.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (White in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (Blue in colour).

For details of restrictions on investment by NRIs, please see section titled “*Restrictions on Foreign Ownership of Indian Securities*” on 281 of the Prospectus.

### **Application by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI, or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI, or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder in consultation with LM, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi-investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;

- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

### **Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended (“SEBI FVCI Regulations”) prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

**Our Company, the Selling Shareholder or the LM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

### **Application by limited liability partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

### **Application by Banking Companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder in consultation with LM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “Banking Regulation Act”), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank’s own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank’s interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company’s paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

### **Application by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company, and the Selling Shareholder in consultation with LM, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDA Investment Regulations”), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time

### **Application by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) circulars dated September 13, 2012, and January 2, 2013, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

### **Application by Systemically Important Non-Banking Financial Companies**

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Application under Power of Attorney**

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof.

Our Company and Selling Shareholder in consultation with the LM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Selling Shareholder in consultation with the LM, may deem fit.

### **Application by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Offer.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company, and the Selling Shareholder, in consultation with LM reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholder and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus, when filed. Applicants are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Prospectus, when filed.

### **OFFER PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company, Selling Shareholder and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

**APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.**

## **Information for Applicants**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the LM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **Who can apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

**Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.**

### **Terms of payment**

The entire Offer price of ₹58/- per equity share (including premium of ₹48/- per equity share) /- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Applicants.

### **Payment Mechanism**

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (Offer price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Bid Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Bid by the ASBA Bidder, as the case may be.

### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to streamline the process of public Offer of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

#### **Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public Offer. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

#### **Process**

**Applications through UPI in IPOs (Public Offer) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).**

#### **Blocking of Funds:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form

- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

#### **UNBLOCKING OF FUNDS:**

- a) After the Offer close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public Offer escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the Offer period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

#### **REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public Offer. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

#### **LIST OF BANKS PROVIDING UPI FACILITY**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public Offer using UPI mechanism is provided on the SEBI Website at the following path:

*Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.*

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, Selling Shareholder, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Offer Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Offer. This facility will be available with the Designated Intermediary and their authorized agents during the Offer Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Offer Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Offer Period

may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  1. Name of the Applicant;
  2. IPO Name;
  3. Application Form number;
  4. Investor Category;
  5. PAN (of First Applicant, if more than one Applicant);
  6. DP ID of the demat account of the Applicant;
  7. Client Identification Number of the demat account of the Applicant;
  8. UPI ID (RIIs applying through UPI Mechanism)
  9. Numbers of Equity Shares Applied for;
  10. Location of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  11. Bank account number
  12. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
  13. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  14. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
  15. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
  16. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  17. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

#### **WITHDRAWAL OF APPLICATIONS**

RIIs can withdraw their applications until Offer Closing Date. In case a RII wishes to withdraw the applications during the Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **SIGNING OF UNDERWRITING AGREEMENT**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013. For further details please refer to the chapter titled "*General Information*" on page 50 of this Prospectus.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from

the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information - Underwriting” on page 49 of this Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

#### **FILING OF THE PROSPECTUS**

For filing details, please refer to the chapter titled “*General Information*” beginning on page 50 of this Prospectus.

#### **PRE- OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

#### **PRICE DISCOVERY AND ALLOCATION OF EQUITY SHARES**

- a) The Offer is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Offer Price. The balance of the Net Offer will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and selling shareholder in consultation with the Lead Manager and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Offer.

#### **ISSUANCE OF ALLOTMENT ADVICE**

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Offer.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. **Issuer will ensure that:** (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant’s Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.
3. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

#### **ISSUANCE OF CONFIRMATION ALLOCATION NOTE (“CAN”)**

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company and Selling Shareholder in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

## GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date.

### Do's:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines, and approvals;
2. Ensure that you have Bid as per price mentioned in the form;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidder other than UPI Bidders Bidding using the UPI Mechanism) in the Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;
4. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
7. Ensure that the details about the PAN, DP ID, Client ID, and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIIs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;
9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
10. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;
11. Ensure that they have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
13. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
14. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the I.T. Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. UPI Bidders using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Banks to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
25. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure, and such Bids have been made with different beneficiary account numbers, Client IDs, and DP IDs.
26. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs, and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
27. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Banks, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
29. UPI Bidders using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the UPI Bidders Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
30. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
31. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
32. Retail Individual Investors who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIIs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the LM.
34. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. on the Bid/ Offer Closing Date.
35. Further, investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.
36. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
5. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms with the Banker(s) to the Offer (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Offer (assuming that the Registrar to the Offer is not one of the RTAs) or any non-SCSB bank;
7. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
9. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
10. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
13. Do not fill up the Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Prospectus;
14. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
15. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
17. Do not submit your Bid after 3.00 pm on the Issue/Offer Closing Date;
18. If you are a QIB, do not submit your Application after 3.00 pm on the Offer Closing Date for QIBs;
19. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Offer Closing Date;
20. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
21. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
22. If you are a UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID
23. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
24. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;  
Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
25. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
26. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
27. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

28. Do not submit a Bid using UPI ID, if you are not a RIB
29. Do not Bid for Equity Shares more than what is specified by respective Stock Exchange for each category
30. Do not submit an Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by RIB Bidder using the UPI Mechanism)
31. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
32. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
33. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism
34. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise
35. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIB shall scan revise or withdraw their Bids on or before the Offer Closing Date
36. If you are an RII which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID
37. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism
38. Do not submit the Application Forms to any non-SCSB bank; and
39. Do not Bid if you are an OCB

For helpline details of the Lead Manager pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, please refer to chapter titled “**General Information**” on page 50

#### **Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public Offer using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

#### **Applicant’s Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicant’s bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Offer or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Offer. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

#### **GROUND FOR TECHNICAL REJECTIONS**

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane

persons;

- d. PAN not mentioned in the Application Form;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Offer;
- h. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled “*Offer Structure*”;
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of the First Applicant or sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Offer Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Offer Closing Date;
- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application
- aa. Application submitted without instruction to the SCSBs to block the entire Application Amount;
- bb. Form at the time of blocking such Application Amount in the bank account;
- cc. Where no confirmation is received from SCSB for blocking of funds;
- dd. Applications by Applicants not submitted through ASBA process;
- ee. Applications not uploaded on the terminals of the Stock Exchanges;
- ff. Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- gg. ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form
- hh. Submission of Application Form(s) using third party ASBA Bank Account
- ii. Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries
- jj. In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third-party bank account;
- kk. The UPI Mandate is not approved by Retail Individual Investor; and
- ll. The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and vice versa

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

- a) a tripartite agreement dated April 07, 2014 with NSDL, our Company and Registrar to the Offer;
- b) a tripartite agreement dated September 08, 2014 with CDSL, our Company and Registrar to the Offer;

The Company's shares bear an ISIN No: INE460Q01014

## COMMUNICATIONS

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Offer where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Company Secretary and Compliance Officer (Mr. Rajat Kathpalia) or the Registrar to the Offer in case of any Pre- Offer or Post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**

	
<p><b>SHARP CHUCKS &amp; MACHINES LIMITED</b>  A-12 Industrial Development Colony  Jalandhar - 144012,  Punjab, India.  <b>Tel No:</b> 0181 -2610341 / 0181- 2611763  <b>Email:</b> <a href="mailto:cs@sharpchucks.com">cs@sharpchucks.com</a>  <b>Website:</b> <a href="http://www.sharpchucks.com">www.sharpchucks.com</a></p>	<p><b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b>  D-153 A, 1st Floor Okhla Industrial Area, Phase-I New  Delhi - 110020, Delhi, India  <b>Tel No:</b> 011-40450193-97  <b>Fax No:</b> 011-26812683  <b>E-mail Id:</b> <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a>  <b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a>  <b>Investor Grievance Id:</b> <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a>  <b>Contact Person:</b> Anuj Rana  <b>SEBI Registration No:</b> INR000003241</p>

## BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of over subscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 2,000 Equity Shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 2,000 Equity Shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 2,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2,000 Equity Shares subject to a minimum allotment of 2,000 Equity Shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 2,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors as specified under the chapter titled "**Capital Structure**" mentioned in this Prospectus.
6. Since present Offer is a fixed price Offer, the allocation in the net Offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a. A minimum of 50% of the net Offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net Offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' of this Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Offer, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Offer size as specified shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Offer.**

**There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **AT PAR FACILITY**

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that "at par" facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**In case of any pre-issue or post issue related issues regarding demat credit/refund orders/unblocking etc.**, investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "General Information" on page 50

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended by SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds

#### **GROUND FOR REFUND**

##### *Non-Receipt of Listing Permission*

An Issuer makes an Application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in this Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by Stock Exchange, the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of this Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager and Registrar to the Offer shall intimate Public Offer bank / Bankers to the Offer and Public Offer Bank/Bankers to the Offer shall transfer the funds from Public Offer account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within time as specified in the Act after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of days as specified in the Act, be liable to repay the money, with interest at such rate, as prescribed under the Companies Act, and as disclosed in this Prospectus.

##### *Minimum Subscription*

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Offer through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Offer, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay within stipulated time as per prescribed under the applicable laws the Issuer become liable to pay the amount along with interest prescribed under the Companies Act, 2013.

##### *Minimum Number of Allottees*

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than fifty (50), failing which the entire application monies may be refunded forthwith.

## **MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS**

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicant's account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the LM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 100% of the Offer, shall be credited only to the bank account from which the Applicant Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to this Prospectus.

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the LM and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares offered through the Issue through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to the Retail Individual Investors and Non-Institutional Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum lot size application size as determined and disclosed. The Allotment of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board., that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Applicants at the rate prescribed under applicable law for the delayed period;

### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 6 Working Days of the Offer Closing Date. The Registrar to the Offer may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 4 Working Days of the Offer Closing Date.

## **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. That the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Offer;
3. that funds required for making refunds / unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that Company shall not have recourse to the Offer proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received
6. The Equity Shares proposed to be issued by it in the Offer shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Offer;
7. that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Applicants at the rate prescribed under applicable law for the delayed period;
8. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
9. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Offer giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
10. that no further Offer of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
11. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
12. That if our Company does not proceed with the Offer after the Offer Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the Offer-Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
13. that if our Company and the Selling Shareholder, in consultation with the LM, withdraw the Offer at any stage, including after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company and/or any of the Selling Shareholder subsequently decides to proceed with the Offer thereafter
14. That if our Company withdraws the Offer after the Offer Closing Date, our Company shall be required to file a fresh Prospectus with Stock Exchange/ RoC / SEBI, in the event our Company subsequently decides to proceed with the Offer;
15. That it shall comply with such disclosure and account norms specified by SEBI from time to time

### **Undertakings by the Selling Shareholder**

The Selling Shareholder undertakes the following in respect of itself as the Selling Shareholder and its portion of the Issue Shares:

- a. that its portion of the Issue Shares are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations and are in dematerialised form;
- b. that it is the legal and beneficial owner of, and has clear and marketable title to, its portion of the Offered Shares;
- c. that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of its portion of the Offered Shares;
- d. that it shall not have recourse to the proceeds of the Offer for Sale of its portion of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and
- e. that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the LM in redressal of such investor grievances that pertain to its portion of the Offered Shares.

### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Fresh offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Fresh offer shall be disclosed and continue to be disclosed till any part of the Fresh offer proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Fresh offer, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested. Our Company confirms and declares that all monies received out of the Fresh offer shall be transferred to a separate bank account other than the bank account referred to in sub section 3 of Section 40 of the Companies Act, 2013
- 4) Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Fresh offer.
- 5) Our Company shall not have recourse to the offer Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the offer shall be attended by our Company expeditiously and satisfactory.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: "Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447." The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Government of India has from time to time made policy pronouncements on Foreign Direct Investments (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (“DPIIT”) issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2) / 2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

Under the current applicable sectoral cap, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present our Company is in the business of manufacturing and exporting of power chucks, lathe chucks, drill chucks, machine tools accessories, striking tools, and customized castings & forging components. As these sectors / activities are not specifically listed under the FDI Policy 2020, it shall come under the Permitted Sectors category, hence 100 % foreign direct investment through automatic route is permitted subject to applicable laws / regulations, security and other conditionalities. For further details please see the chapter titled “*Key Industry Regulations and Policies*” beginning on page 152 of this Prospectus.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non- Debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction / purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non- Debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve Bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions / restrictions for overseas entities**

#### **i. Investment by FPIs under Portfolio Investment Scheme (PIS):**

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI investment limit of below 10% of the total paid-up equity capital of the Indian Company on a fully diluted basis and subject to the aggregate limit of all FPIs put together being 24% of the total paid-up equity capital of the Indian company on a fully diluted basis. However, this aggregate limit of 24% may be increased up to sectoral cap / statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body, respectively before March 31, 2020. With effect from April 01, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as laid out in sub-paragraph (b) of paragraph 3 of Schedule I of the FDI Policy, 2020, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. The aggregate limit as provided above may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors. The Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling

respectively as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively; however, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold.

**ii. Investment by NRI or OCI on repatriation basis:**

As per Schedule 3 of the Foreign Exchange Management (Non- Debt Instruments) Rules, 2019, an NRI or OCI may purchase or sell shares of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions that NRIs or OCIs may purchase and sell shares through a branch designated by an authorised dealer for the purpose; and the total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the company.

**iii. Investment by NRI or OCI on non-repatriation basis**

As per Schedule 4 of the Foreign Exchange Management (Non- Debt Instruments) Rules, 2019, purchase by an NRI / OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs / OCIs, on non-repatriation basis of shares and convertible debentures or warrants issued by a company without any limit either on the stock exchange or outside, it will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. However, NRI / OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs / OCIs, is prohibited from making any investment, under Schedule 4, in capital instruments or units of a Nidhi company or a company engaged in agricultural / plantation activities or real estate business or construction of farm houses or dealing in transfer of development rights.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“**US Securities Act**”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “**Prospectus Directive**”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**  
**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**(Incorporated under the Companies Act, 2013)**

**ARTICLES OF ASSOCIATION**  
**OF**  
**SHARP CHUCKS AND MACHINES LIMITED**  
**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**(Incorporated under the Companies Act, 2013)**

**I. PRELIMINARY**

1. Subject to the provisions hereinafter, regulations contained in Table F of Schedule I to the Companies Act, 2013 shall apply to the Company.

**II. DEFINITIONS AND INTERPRETATIONS**

**2. DEFINITIONS**

In the regulation/articles, the following words and expression shall have the following meanings, unless excluded by the subject or context:

- a) "Act" shall mean the Companies Act, 1956 and/or the Companies Act, 2013 as may be applicable and any subsequent amendments thereto.
- b) "Affiliate" in relation to a person,
- (a) being a corporate entity, shall mean any entity or person, which controls, is controlled by, or is under the common control of such person.
- (b) being an individual, shall mean any relative or any other entity or person, which is controlled by such individual or a relative of such individual.
- (c) in relation to SVCL, shall mean any fund owned/ managed and/or controlled by SVCL.
- (d) in any other case, shall mean a person controlled by a Party/Parties to the Agreement.
- c) "Agreement" shall mean the Shareholders-cum-Subscription Agreement dated 22 April 2014 and shall include any recitals, schedules or exhibits that may be annexed and any amendments or modifications made to the Agreement from time to time by the Parties in writing.
- d) "Board" or "the Board of Directors" shall mean the board of directors of the Company.
- e) "Director" shall mean a director on the Board of Directors.
- f) "Effective Date" shall mean the date on which the Agreement is executed or if the Agreement is signed at different times and/or in counterparts, then the date on which the last executing party signs the Agreement.
- g) "First Tranche Closing" shall mean the payment by the Investor of the Share Subscription Amount and issuance of the Investor Shares, in one or two sub tranches, to the Investor, by the Company as stated under Article 4.1 of the Agreement. If payment of the Share Subscription Amount and issuance of Investor Shares occurs on different dates, First Tranche Closing shall be deemed to be the later of the two dates.
- h) "IOF" shall mean SIDBI Trustee Company Limited A/c India Opportunities Fund.
- i) "Investor" or "SVCL" shall mean SIDBI Venture Capital Limited or SVCL, including its successors and assigns.
- j) "Investor Nominee Director" shall mean the nominee director nominated by the Investor as mentioned under these Articles.
- k) "Investor Shares" shall mean 19,28,516 (Nineteen Lakhs Twenty Eight Thousand Five Hundred Sixteen) Equity Shares to be issued to the Investor at First Tranche Closing at a price of ₹ 38.89 (Rupees Thirty Eight and Eighty Nine paise only) per Share, and will include any other Shares issued to and/or held by the Investor, including Shares issued to the Investor on conversion of the OCDS.
- l) "IPO" shall mean the initial public offering of the Shares and shall include a reference to a fresh issue of Shares by the Company to the public, unless otherwise specified.
- m) "IRR" shall mean internal rate of return as calculated using XIRR function in Excel.
- n) "Liquidation Event" shall mean any of the following events: (i) a sale of more than 50% (fifty percent) of ownership of the Company; (ii) liquidation, dissolution or winding up of the Company, either voluntary or involuntary; (iii) acquisition of the Company by means of merger, consolidation or other form of corporate reorganization in which the Promoters of the Company do not own a majority of the outstanding shares/ voting power of the surviving entity; (iv) any sale or transfer of all or substantially all of the assets of the Company

including a strategic sale; or, (v) appointment of a receiver by any court of law for administration of the affairs of the Company. Liquidation Event shall not include an IPO.

- o) "Material Adverse Effect" shall mean any event, condition or item that, individually or in the aggregate, would have a material adverse effect on: (i) the business, assets, condition (financial or otherwise) or results of operations of the Company taken as a whole which is likely to have an impact on the business of the Company so as to reduce the value or the net worth of the Company by 20% (twenty percent) or more of its total value as on the date hereof; (ii) the ability of the Company to conduct the business and to own or lease its assets and properties in substantially the same manner in which the business was previously conducted and such assets and properties were previously owned or leased and such change would materially affect the ability of the Company to carry on its business; or, (iii) the ability of the Company to consummate the transactions contemplated hereby, in a timely manner in accordance with the terms of the Agreement.
- p) "OCDS Subscription Amount" shall mean the total amount of ₹7,50,00,000 (Rupees Seven Crore Fifty Lakhs only) payable by the Investor to the Company as consideration for the OCDS issued and allotted in terms of Article 4.2 of the Agreement.
- q) "Other Shareholders" shall mean the shareholders of the Company whose names are more particularly stated in Schedule I of the Agreement, including their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.
- r) "Optionally Convertible Debentures" or "OCDS" shall mean the 7,50,000 (10%) optionally convertible redeemable debentures of ₹ 100 /- each at par issued to the Investor by the Company in the manner stated in Article 4.2 of the Agreement. The OCDS are convertible into fully paid-up equity shares of face value of ₹ 10/- (Rupees Ten only) each in terms of Article 4.6 (2) (b) of the Agreement and are redeemable in terms of these Articles.
- s) "PAT" shall mean Profit After Tax.
- t) "Party" or "Parties" shall mean the Promoters, the Other Shareholders, the Investor and/or the Company, individually or collectively, as the context so requires.
- u) "Phase 1 of the Project" shall mean the phase 1 of the Project more particularly described in Schedule II of the Agreement.
- v) "Phase 2 of the Project" shall mean the phase 2 of the Project more particularly described in Schedule II of the Agreement.
- w) "Project" or "Business Plan" shall mean the project more particularly described in Schedule II of the Agreement.
- x) "Promoters" shall collectively mean Mr. Ajay Sikka and Mrs. Gopika Sikka, including their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.
- y) "SEBI" shall mean the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
- z) "Second Tranche Closing" shall mean the payment by the Investor of the OCDS Subscription Amount and issuance of the OCDS, to the Investor, by the Company as stated under Article 4.2 of the Agreement. If payment of the OCDS Subscription Amount and issuance of Investor OCDS occurs on different dates, Second Tranche Closing shall be deemed to be the later of the two dates.
- aa) "Shares" or "Equity Shares" shall mean equity shares of the Company bearing a face value of ₹ 10 /- (Rupees Ten only) each.
- bb) "Shareholders" shall mean all persons holding Equity Shares or other shares in the Company.
- cc) "Share Subscription Amount" shall mean the total amount of ₹ 7,49,99,987.24 (Rupees Seven Crore Forty-Nine Lakhs Ninety-Nine Thousand Nine Hundred Eighty-Seven and Twenty-Four paise only) payable by the Investor to the Company as consideration for the Investor Shares issued and allotted in terms of Article 4.1 of the Agreement.
- dd) "Strategic Investor" shall mean an investor who brings in value over and above financial inputs, i.e., value in terms of business, technology, etc.
- ee) "Subscription Amount" shall mean the total amount of ₹ 14,99,99,987.24 (Rupees Fourteen Crore Ninety-Nine Lakhs Ninety-Nine Thousand Nine Hundred Eighty-Seven and Twenty-Four paise only) payable by the Investor to the Company in the form of Share Subscription Amount and OCDS Subscription Amount as consideration for the Investor Shares and the OCDS issued in terms of Article 2.1 of the Agreement.
- ff) "SVCL" shall mean the SIDBI Venture Capital Limited

### 3. INTERPRETATION

(I) (1) In these Regulations: -

(a) "the Company" means "SHARP CHUCKS AND MACHINES LIMITED"

(b) "the Act" means the Companies Act, 2013, and every statutory modification or re-enactment thereof and references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.

(c) "the seal" means the common seal of the company.

(d) "these Regulations" means these Articles of Association as originally framed or as altered, from time to time.

(e)"the Office" means the Registered Office for the time being of the Company.

(f)Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognized by law as such.

(g)"month" and "year" means a calendar month and calendar year respectively.

(h)Expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company. Public Company

(3) The company is a "Public Company" within the meaning of Section 2 (71) of the Companies Act, 2013 and accordingly: -

(i) is not a Private Company

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purpose of this act, even where such subsidiary company continues to be a private company in its articles.

- a) All references to statutory provisions shall be construed as meaning and including references to any statutory modification, consolidation or re-enactment (whether before, at the time of, or after, the Effective Date of the Agreement) for the time being in force, all statutory instruments or orders made pursuant to a statutory provision, and any statutory provision of which these statutory provisions are a consolidation, re-enactment or modification.
- b) All references to the singular shall include the plural and vice-versa, and neuter gender shall include the masculine or feminine gender (as the case may be) and vice versa, references to the masculine shall include the feminine and vice-versa, and references to persons shall include corporations and firms.
- c) The headings of various Articles are inserted for convenience only and shall not affect the interpretation and construction of the relative provisions of these Articles.
- d) Other terms referred to but not defined in these Articles or the Agreement shall, unless inconsistent to the context thereof, bear the same meaning as defined under the Act, as valid and applicable in India, and failing that any other relevant and applicable legislation in India.
- e) References to SVCL/ the Investor in the Agreement/ these Articles shall mean and include IOF and vice versa as the context requires.
- f) References to Parties, Recitals, Schedules, Articles and Clauses are, unless the context otherwise requires, references to Parties, Recitals, Schedules, Articles and Clauses of these Articles.
- g) Any reference to "writing" includes printing, typing, lithography and other means of reproducing words in permanent legible and visible form.
- h) The terms "include" and "including" shall mean "include without any limitation".
- i) Any reference to the transfer of Shares or other securities shall include a reference to any act that has the effect of creating any third-party interest in or over the referred Shares or securities, or the creation of a pledge, lien, any other encumbrance or any other security interest in or over the referred Shares or other securities.
- j) Any reference to the shareholding of the Company on a fully diluted basis refers to the shareholding pattern of the Company at the relevant point in time and shall be calculated after taking into account all the issued and outstanding Shares of the Company, including preference shares, and all outstanding options, warrants, convertible debentures, employee stock options, if any, from time to time and all other convertible securities of the Company as if all such options, warrants, convertible debentures and all other convertible securities were converted to Equity Shares at that point in time.
- k) Any reference in these Articles to par or face value in relation to any Share or other security shall mean the value expressed on the face of the certificate representing the Share or other security, at the relevant point of time, irrespective of the actual price paid for that Share or other security by its holder.
- l) Terms defined elsewhere in these Articles shall, unless inconsistent with the context or meaning thereof, bear the same meaning as defined throughout these Articles.

#### **SHARE CAPITAL AND OCDS**

4. The Authorized Share Capital shall be such as mentioned in the clause V of the Memorandum of Association of the Company and the same shall be increased or decreased, divided or sub-divided in such share as mentioned in clause V of the Memorandum of Association.
5. Subject to the provisions of the Act, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms as the Directors may think fit and to give any persons any shares whether at par or at a premium and for such consideration as the Directors may think fit.
6. Subject to the provisions of the Act, The Directors may allot and issue shares in the capital of the company as payment or part-payment for any property, goods or machinery supplied or sold or transferred or for services rendered to the company.

7. If the Company intends to issue shares by way of preferential allotment, it shall adhere to the provisions of the Act, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014.

8. The Company shall issue share certificates and debenture certificates in such lots as may be specified by the Investor. The Investor reserves the right to require the Company to issue the Investor, Shares wholly or in part, in demat form. If so, required by the Investor, the Company shall sub-divide or consolidate the certificates at any time without payment of any fee. The Company shall amend its Articles of Association for such purpose, where necessary. In the event that there is a delay on the part of the Company to convert and issue Shares/OCDS in demats form in the manner provided in Article 3.1 (1) of the Agreement, the Company shall issue physical share certificates.

9. **TERMS AND CONDITIONS OF OCDS**

a) **Payment of interest**

1) The Company shall pay compound interest at 10% (ten per cent) per annum on the OCDS subscribed by the Investor from the date of the disbursement.

2) The interest on the OCDS shall accrue and be payable to the Investor quarterly on 30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> December and 31<sup>st</sup> March of each year (or the last working day of each quarter) from the payment of OCDS Subscription Amount till the date of conversion or redemption, whichever occurs earlier.

3) Interest on the OCDS shall be payable to the Investor till finalization and acceptance of the conversion price.

4) It is agreed between the Parties, that no dividend shall be declared by the Company till the conversion price for OCDS has been finalized.

Pursuant to the provisions of Companies Act, with respect to dividend;

(I) subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

5) If the Company declares any dividend while the OCDS remain unconverted in whole or in part or are pending redemption (once the conversion price has been finalised), then interest shall be payable on the OCDS equal to the dividend amount declared and calculated based on the number of equity shares arrived based on the conversion price.

b) **Conversion of OCDS**

1) The Investor shall have the option to convert the OCDS either in part or in full into fully paid-up Equity Shares. The conversion option shall be exercised at the sole discretion of the Investor by 31st December 2016 or within three months from the date of approval of annual accounts by the shareholders at the annual general meeting for the financial year ended 2015-2016 (1st April 2015 - 31st March 2016), whichever is later. The Investor shall have the option to conduct an audit and exercise the conversion option latest by 31st March 2017. The expenses relating to such audit shall be borne by the Company.

2) The conversion will be made at a price- earnings (PE) multiple of 5 (five) on post money valuation basis arrived at by multiplying net PAT of the Company as per the audited accounts for the financial year 2015-2016 (1st April 2015- 31st March 2016) in the manner stated in these Articles.

3) In the event that the Company attracts a fresh round of funding from an investor, the Investor may at its option convert the OCDS, into fully paid-up equity shares at a 30% (thirty percent) discount to the price decided and agreed upon by and between the Company and the second investor provided that:

(i) the second investor is neither the Investor, any other existing investor of the Company nor any strategic partner; and

(ii) the second investor invests at least ₹ 15,00,00,000 (Rupees Fifteen Crores only); and

(iii) the second investor invests prior to the exercise of the conversion option by the Investor.

4) In the event that the Company is able to make an IPO prior to the exercise of the conversion option by the Investor, the OCDS shall be converted at a 30% (thirty percent) discount to the IPO price per share. In the event the IPO is made through book building process, the afore stated discount of 30% (thirty percent) shall be applicable on the lower level of the price band on which Shares are proposed to be issued.

c) **Audited Accounts**

1) The conversion of the OCDS shall be based on the consolidated financials of the Company. Its subsidiaries/ partnership firms/ joint ventures shall be considered for consolidation purposes as per the Indian GAAP. Conversion PAT shall mean the net PAT of the consolidated financials of the Company.

2) The audited accounts for the financial year 2015-2016, ending on the 31st March 2016 shall be completed latest

by the 31st July 2016. The conversion price shall be decided on the basis of such audited financial accounts. The financial accounts for computation purpose would exclude extraordinary income, outstanding debtors as on 31st March 2016 that are not realized which is on or before 31st July 2016 and deferred revenue expenditure capitalized. Further, the debt of the outstanding debtors referred to in this clause would be treated as being written off and taxes re-computed accordingly to arrive at the conversion PAT.

- 3) The accounts shall be finalised with the approval of the Investor. The Company shall submit the audited financial accounts along with the conversion PAT computed and certified by the statutory auditors of the Company to the Investor. The Investor, at its sole discretion, shall be entitled to appoint independent auditor for calculation of conversion PAT. The fees payable to such auditor shall be borne by the Company.

d) **Redemption/ Purchase of OCDS**

Subject to the provisions of the Act, if the Investor does not exercise his option to convert the OCDS or opts to convert only a portion of the OCDS, then the Company shall redeem and/ or the Promoters shall purchase the OCDS or unconverted OCDS in 8 (eight) equal quarterly installments starting from 1st April 2017 so long as the Investor gets an annualized IRR of 25% (twenty five percent) on the OCDS and/ or unconverted OCDS. The interest on OCDS paid by the Company prior to such redemption or purchase shall also be taken into account for the purpose of IRR calculation.

e) **Conversion at par**

Subject to the provisions of the Act, in the event the Company fails to redeem and/ or the Promoters fail to purchase the OCDS in the manner stated hereinabove and the default continues for a period of 2 (two) quarters, then the Investor shall have the right at its option to convert the OCDS in part or full, into Equity Shares at par.

f) **Creation of redemption reserve**

The Company shall create a redemption reserve, if so required under the laws in force for the time being in India to enable it to fulfill its obligation under the Agreement to redeem the OCDS.

10. **OTHER OBLIGATIONS OF PARTIES**

a) **Non-Compete Provision**

The Promoters hereby agree and undertake that as long as the Investor holds Investor Shares and/or OCDS or other securities in the Company, the Promoter shall:

- (1) devote their full time and attention to the business of the Company;
- (2) not engage or hold any interest in any activity or business that would compete with the Company's business or would adversely affect or be detrimental to the Company's interests in any manner; and
- (3) not engage in any other business; and
- (4) persons appointed as Directors by the Promoters shall continue to remain on the Board of Directors till such time the Investor holds Shares/ OCDS in the Company.

b) **Deviation from Business Plan**

The Promoters and the Company hereby agree and undertake that they shall not deviate from the terms of the Business Plan as set out in Schedule II of the Agreement. In the event the Company wishes to undertake any new business, which is not contemplated in the Business Plan, the prior written approval of the Investor will be required.

c) **Notification to Investor**

The Company shall promptly notify the Investor of any circumstances and conditions which may:

- (1) have a Material Adverse Effect on the completion of the Project; or
- (2) result in substantial overrun in the original estimate of the costs.

d) **Participation in future offerings**

- 1) The Company shall give the Investor, a right of pre-emption in any future financing undertaken by the Company of Equity Shares or any instruments convertible into Equity Shares on the same terms and conditions as offered to third parties or existing shareholders, other than the Investor ("**Preferential Allotment**"). The Investor shall, at its option, agree to provide such financing wholly or in part, either itself or through its Affiliates or waive the exercise of its pre-emption right in respect of such further issue. The Investor shall communicate its decision in this regard within 30 (Thirty) days of receipt of the offer from the Company.
- 2) Notwithstanding anything contained in Article above, the Investor shall be entitled during such Preferential Allotment to a third party or existing shareholders other than the Investor to subscribe to up to such number of Shares/ OCDS, as required to maintain the Investor's shareholding in the Company at the same percentage as it was prior to the Preferential Allotment, on terms and conditions not less favourable than those on which the Preferential Allotment is proposed to be made.
- 3) Where the Investor does not exercise its right of first refusal, the Company may, subject to the terms of the Agreement/ these Articles, including those applicable to Preferential Allotment, offer such Preferential Allotment to a third party on terms no more favourable than those offered to the Investor for the Investor Shares, and at a price no less than that paid by the Investor for the Investor Shares. The allotment of Shares to the third party pursuant to this sub-article shall be completed within 120 (One Hundred Twenty) days of receipt of communication from the Investor of its decision not to exercise its pre-emption right.
- 4) In the event that any future equity financing undertaken by the Company is, with the consent of the Investor, at a

price less than that paid by the Investor for the Investor Shares/OCDS under the Agreement/these Articles, the Investor shall be entitled to subscribe itself or through its Affiliates to such number of additional Shares/OCDS at par such that for the Investor the average acquisition price per Share under the Agreement/ these Articles is the same as that of the Preferential Allotment.

- 5) The Investor may exercise its rights under this Article either itself or through any of its Affiliates. On any Shares being issued to an Affiliate of the Investor pursuant to this Article or on any Shares being acquired by an Affiliate of the Investor pursuant to the provisions of this Article, the Affiliate of the Investor shall have the same rights and obligations as the Investor under these Articles.

e) **Liquidation Preference**

- 1) In the event of a Liquidation Event, the Investor will be entitled to receive, in preference to other shareholders, out of the funds and assets that may be legally distributed to the Company's shareholders, an amount which gives a return of two times of the amount invested or their eligible proportionate distribution, plus all declared but unpaid dividends/interests, whichever is higher.
- 2) Thereafter, the Investor shall have the right to participate in the distribution of any and all remaining assets pro-rata to the proportion of Shares/OCDS that the Investor held on a fully diluted basis, immediately before the Liquidation Event.

f) **Conversion into a public company**

The Promoters and the Company agree and undertake that upon the request of the Investor, the Company shall be converted into a 'public limited company' as per the provisions of the Act within 3 (Three) months of such request.

g) **Stock Option**

The Company agrees and undertakes that any stock option scheme proposed or drawn up by the Company shall be subject to the approval of the Investor.

h) **Capitalization of Reserves**

The Promoters and the Company agree and undertake that no capitalization of reserves shall be made without the prior written approval of the Investor.

i) **No lien undertaking**

The Promoters agree and undertake to execute an undertaking that the Promoters shall not encumber, pledge or create a lien on their Shares or do any other act which has the effect of undermining the underlying beneficiary/fiduciary rights and responsibilities of the Promoters without the express written consent of the Investor.

(i) Subject to the consent of Investor, the company shall have a first and paramount lien -- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share, to be wholly or in part exempt from the provisions of this clause. (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares

j) **Fresh issue of capital**

The Company agrees and undertakes that it shall not make any fresh issue of capital without the prior written consent of the Investor and not at terms more favourable than those offered to the Investor.

The Company shall at all times comply with the provisions of the Act and the rules framed thereunder.

k) **Future projects of the Promoters/ Company**

The Promoters agree and undertake that they shall not undertake any new projects. All future projects of the Company shall be undertaken only with the prior written approval of the Investor.

l) **Utilisation of Subscription Amount**

The Company shall utilise the Subscription Amount or any part thereof solely for the Project as per the Business Plan submitted by the Company and/or the Promoters to the Investor. Brief heads of the expenditure to be incurred by the Company for the Project are provided for in Schedule IV of the Agreement.

m) **Deferred Revenue Expenditure**

The advertisement expenditure incurred by the Company during a financial year shall be written off completely in that year. All decisions on capitalisation of revenue expenditure shall be made by the Company after seeking approval of the Investor.

n) **No pledge on Investor Shares/ OCDS**

The Company undertakes that the Investor shall not be required to pledge his shares or provide support to any third party, including the lenders of the Company.

11. **TRANSFER AND TRANSMISSION OF SHARES**

a) **Non-Disposal of Shareholdings**

- 1) The Promoters shall not dispose of in any manner and shall continue to hold all their existing Shares of the Company and those that might be allotted to them in the future by way of bonus, rights etc. until the Investor holds Investor Shares, and/or OCDS in the Company.

- 2) The Company shall not recognize or register any transfer of Shares made or to be made by the Promoters shall, unless such a transfer is approved by the Investor in writing, nor shall the Company endorse any lien in respect of Shares in favour of third parties unless such lien is approved by the Investor in writing.
- 3) The Board may decline to recognize any instrument of transfer unless -- (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.
- 4) That the Board may, subject to the right of appeal conferred by section 58 decline to register—
  - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien;

## 12. PUBLIC OFFERING OF SHARES AND LISTING

### b) Initial Public Offering (“IPO”) of Shares

- 1) The Company and the Promoters shall arrange for an IPO of the Company’s Shares on or before 31st March 2018. The nature of the public issue shall be determined by the Promoters and the Investor by mutual consultation. The Company shall endeavour to get its Shares listed on such stock exchange(s), as may be stipulated by the Investor. The Promoters and the Company shall obtain all statutory and other approvals necessary for the IPO. All expenses incurred for the IPO and listing of the Shares shall be borne by the Company. An IPO shall be inter alia preferred route for exit for the Investor.
- 2) Subject to SEBI guidelines and other applicable laws, the Investor shall not be considered promoters of the Company and the Investor’s shareholding in the Company shall not be offered for any lock-in requirements related to an IPO.
- 3) The Promoters hereby agree to use its/their best endeavours to ensure that the Shares held by the Investor shall not be offered for lock-in. In the event that the Shares held by the Investor are subject to a lock-in period under applicable law or SEBI regulations, the Promoters shall exchange the Shares held by the Investor for an equal number of freely transferable Shares to the extent such freely transferable Shares are available with the Promoters. If the Promoters are unable to transfer Shares free of lock-in as specified herein due to reasons beyond their control, it shall transfer Shares with lock-in for the shortest period possible. It is further agreed that any expense for such transactions shall be borne by the Company.
- 4) In the event the Company fails to make an IPO by 31st March 2018, the Investor will have the right to sell its holding in the Company along with attached rights to any third party.

### c) Offer for Sale

In the event that the Company does not or is unable for any reason to make an IPO by 31st March 2018, the Promoters and the Company will render all necessary assistance to the Investor in making an offer for sale of the Investor Shares on stock exchange(s) at such price and other terms and at such time as may be decided by the Investor at its sole discretion. The Promoters shall also offer for sale to the public its shareholding in the Company to the extent required by law for securing listing of the Shares on a recognized stock exchange. All expenses for such offer for sale shall be borne by the Company. The Company and the Promoters undertake to comply with all formalities required for such offer to the public under regulations and guidelines of SEBI and the concerned stock exchange(s) from time to time and also under the provisions of the Act and other applicable laws for the time being in force.

### d) Indemnity

The Company and the Promoters hereby agree and undertake to indemnify/keep indemnified and hold harmless, the Investor and its nominee directors, employees, agents and representatives, against any loss, claim, damages, liability, costs, charges or expenses (including legal costs) arising out of and consequential to any obligation to be performed by the Investor, pursuant to any provision of law, in connection with the IPO or an offer for sale of the Shares and/or in compliance with statutory or other requirements stipulated by bodies including SEBI and the stock exchange(s).

### Buyback of Investor Shares

In the event that the Company does not or is unable for any reason to make an IPO or an Offer for Sale by 31st March, 2018, the Investor shall be entitled, at its discretion, to require the Promoters to purchase the Investor Shares and OCDS and/or the Company to buyback all the Investor Shares and redeem OCDS held by the Investor in the Company at such time decided by the Investor and at such price that provides an IRR of 25% per annum, per share to the Investor. The dividend/ interest paid on the Shares/OCDS, if any, in terms of these Articles shall be taken into account for the purpose of calculation of IRR. In the event the Company offers to buy back Shares in terms of this Article, the Promoters and the Other Shareholders, other than the Investor, shall not tender Shares held by them till Shares held by the Investor have been bought back by the Company. The Parties undertake that this option shall be available to the Investor simultaneous with the option specified in these Articles.

### e) Tag-Along Rights

In the event that the Promoters transfer / sell any part of their shareholding in the Company, after having obtained the written consent from the Investor, then the Promoters shall arrange for a pro rata tag-along option for the Investor on terms no less favourable than those offered to the Promoters.

f) **Sale to Strategic Investor**

In the event the Company is unable to arrange for an IPO/ offer for sale by 31st March 2018, then the Investor shall have the right to sell the Investor Shares/ OCDS, if any, along with the attached rights to any third party/Strategic Investor at a price determined by the Investor. In such an event the Promoters shall be bound by drag along provisions set out in these Articles. The Parties undertake that this option shall be available to the Investor simultaneous with the option specified in these Articles.

g) **Drag-Along Rights**

In the event the Company is unable to arrange for an IPO/ offer for sale by 31st March 2018, then the Investor shall have the right to sell the Investor Shares/ OCDS, if any, along with the attached rights to any third party/Strategic Investor. If an offer is received by the Investor for sale to a third party and on a right of first refusal, if the Promoters do not accept the offer within 30 (Thirty) days of the Investor's offer, the Investor shall be entitled to sell the Investor Shares/OCDS to such third party. In the event, the third-party purchaser so requires, the Promoters shall be bound to sell, along with the Investor such number of Shares, as may be required to enable the Investor to sell its stake as agreed with the third party purchaser at the agreed price. The Company and the Promoters shall do all acts and deeds, matters and things to ensure the execution of all the necessary agreements, documents which are necessary to facilitate exit of the Investor from the Company.

13. **CALLS ON SHARES**

a) The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance;

b) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

14. **ALTERATION OF CAPITAL**

Subject to the consent of Investor and Subject to the provisions of section 61, the company may, by ordinary resolution, —

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

15. **GENERAL MEETINGS**

a) All General Meetings other than Annual General Meeting shall be called extraordinary general meetings.

b) The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting.

c) If at any time they are not within India, Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which a meeting may be called by the Board.

16. **PROCEEDINGS AT GENERAL MEETINGS**

a) Notice

1) Not less than twenty-one clear days' notice for calling a general meeting to all members specifying the place, the day and the hour of the meeting shall be given but the accidental omission to give notice to or the non-receipt of notice by any person to whom it be given shall not invalidate the proceedings at the general meeting, subject to the Act. A general meeting may be convened by giving a short notice if consent is given by ninety five percent of the members entitled to vote at the meeting.

2) The notice of every meeting shall be given to:

a. Every member of the Company, legal representative of any deceased member or the assignee of the insolvent member;

b. The auditor or auditors of the Company and

c. Every director of the Company.

b) Quorum

1) Save as herein otherwise provided, five members present in person or through representative shall form a quorum.

- 2) If the quorum is not present within half an hour from the time appointed for holding a general meeting of the Company-
  - i. The meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
  - ii. The meeting, if called by the requisitionists shall stand cancelled;
 

Provided that in case of an adjourned meeting or change of day, time or place of meeting, the Company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where registered office of the Company is situated.
  - iii. If at an adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding meeting, the members present shall be quorum,
- c) Chairman
 

The Chairman, if any, of the Board shall preside at every General Meeting. If there is no such Chairman or if at any meeting he is not present within thirty minutes of the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, then the Directors present shall elect another Director present as the Chairman and if no Director be present or if all the Directors present decline to the chair, then the members present shall elect on a show of hands one of themselves to be Chairman of the meeting.
- d) Proxies
  - 1) A member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person, whether a member or not, as his proxy to attend, and vote instead of himself, on poll;
 

Provided that a proxy shall not have right to speak at such meeting and shall not be entitled to vote except on poll.
  - 2) A proxy or representative need not be a member of the Company.
  - 3) The instrument appointing a proxy or representative shall be in writing under the hand of the appointed or his constituted attorney duly authorized in writing or if such appointer is a body corporate be under its common seal or be signed by an officer or an attorney duly authorised by it in that behalf.
  - 4) Every instrument appointing a proxy shall be in the form prescribed in the rules made under the Act.
  - 5) The instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. In default the instrument shall not be treated as valid.
  - 6) A vote given in accordance with the terms of an instrument appointing a proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided no intimation in writing of such death, insanity, or revocation or transfer of the share shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
  - 7) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
  - 8) Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company and the person so authorised shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company, and shall be counted towards the quorum.
- e) Voting of the Members
  - 1) No member shall exercise any voting rights in respect of any share on which any calls or other sums presently payable by him in respect of shares in the Company have not been paid, or in respect of which the Company has exercised its right of lien.
  - 2) The Shareholders shall cast their vote as per the provisions of the Act.
  - 3) A declaration by the Chairman of the result of show of hands or poll shall be final and an entry to that effect in the minutes of the proceedings shall be conclusive evidence thereof.
- f) Circular Resolution
 

A resolution may be passed through circulation by the members as per the provisions of the Act.
17. **DIRECTORS**
  - a) The number of Directors shall not be less than three and not more than fifteen, Provided that a company may appoint more than fifteen directors after passing a special resolution as per the act 2013
  - b) The First Directors of the Company shall be:
    - 1) Sh. Sandeep Sikka

- 2) Sh. Ajay Sikka
- 3) Smt. Gagan Sikka
- 4) Smt. Ramesh Rani
- c) Investor Right to Appoint Nominee(s)
  - 1) The Investor shall have the right to nominate directors on the Board of Directors of the Company in proportion to its shareholding in the Company subject to a right to appoint a minimum of at least one nominee director (hereinafter referred to as “**Investor Nominee Director**”). The Investor Nominee Director(s) shall not be required to hold any qualification Shares. The Investor shall have the right to change, remove or replace the Investor Nominee Director(s) from time to time, in accordance with the provisions of the Act.
  - 2) The Investor Nominee Director(s) shall not be required to retire by rotation. The Articles of Association of the Company shall contain suitable provisions in this behalf. In case the Investor Nominee Director(s) cannot be appointed as non-rotational Director(s) in accordance with the provisions of law, then such nominee(s) may be appointed as rotational Director(s) on the Board. In that event, the Promoters shall exercise their voting rights to ensure election of the Investor nominee(s) on the Board on a continuous basis.
  - 3) The Investor Nominee Director(s) shall (unless he/they decline in writing) be appointed as member of all the committee(s) that may be constituted by the Board of Directors (“**Committee**”).
  - 4) The Investor Nominee Director(s) shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but if any other fees, commission, monies or remuneration in any form is payable to the Directors, the fees, commission, monies and remuneration in relation to such Investor Nominee Director(s) shall accrue to the Investor and the same shall accordingly be paid by the Company directly to the Investor.
  - 5) Any expenditure incurred by the Investor or Investor Nominee Director(s) in connection with his appointment as Director shall be borne by the Company. The cost of attending the meetings of the Board or of any committee, including travelling and all other reasonable and customary expenses shall be reimbursed by the Company to the Investor or the Investor Nominee Director(s), as the case may be, in this behalf.
 

The Investor Nominee Director(s) shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and board meetings and meetings of any committees of which he is a member.
  - 6) The Investor shall be entitled to appoint/depute an observer/s to attend such meeting/s of the Board/ committees, at its sole discretion (“**Observer**”). The expenses incurred by the Investor in that connection shall be borne by the Company.
  - 7) The Investor Nominee Director(s) shall be a non-executive director and shall not be considered as an “officer in charge” for any purpose. The Company shall indemnify and hold the Investor Nominee Director(s) free of all such claims and liabilities to the maximum extent possible under applicable law.
  - 8) The Company shall ensure that the Board of Directors is broad based and comprises of professionals having experience and exposure in the field of finance, legal, engineering, automotives, castings and forgings industry etc, to the satisfaction of the Investor.
  - 9) The Board of Directors shall have the power to fill any casual vacancy on the Board and a Director so appointed shall hold office until conclusion of the next Annual General Meeting.
  - 10) The Board of Directors shall have power at any time and from time to time to appoint any other person to be Additional Director(s). Such Additional Director(s) shall hold office to the next following annual general meeting subject to the Act.
  - 11) The Board of Directors Meeting shall be presided over by Chairman elected from time to time.
  - 12) The aforesaid first Directors shall not be liable to retire by rotation. The Company in General Meeting may appoint any persons as Director(s) and provided that such Director or Directors shall not be liable to retire by rotation.
  - 13) Subject to the provisions of the Act the Board of Directors may appoint Alternate Director(s) under the circumstances and during the period and subject to the provisions of that section.
  - 14) Subject to the provisions of the Act, the Directors may appoint as Director any person nominated by the banks or other finance corporations or foreign institutions in pursuance of any financial arrangement or other agreement entered into with them. Such Directors also need not hold nay qualification share.
  - 15) The Board of Directors may, subject to the provisions of the Act, delegate any of the powers to a committee consisting of such members of their body as they deem fit and May from time to time, revoke such delegation. Any Committee so formed shall in exercise of the powers so delegated, confirm to any regulations that may be imposed on them by the Board of Directors.
18. **PROCEEDINGS OF THE DIRECTORS**
  - a) Notice
    - 1) At least 7 (Seven) days prior written notice shall be given to each of the Directors/Observer of the time and place of any meeting of the Board. A meeting of the Board may be held at shorter notice with the written consent (which may be signified by letter, facsimile or e-mail) of at least two Directors, one of whom shall be the Investor Nominee Director or if there exists no Investor Nominee Director or the Investor Nominee Director is not present for any reason, then the consent required may be provided by the Investor in writing instead.
    - 2) The agenda and copies of any appropriate supporting papers shall be circulated to the Directors, including the

Investor Nominee Director/Observer (or the Investor in the absence of the Investor Nominee Director/Observer) at least 5 (Five) business days prior to the date of the proposed meeting.

b) Quorum

- 1) The quorum for a Board meeting shall be the higher of one-third of the total strength of the Board or two Directors, in either case one of whom shall be the/ an Investor Nominee Director. A meeting of the Board shall not be held or continued without the presence of the Investor Nominee Director (if appointed and holding office) unless such Director has expressly waived the requirement for his presence in writing or by facsimile transmission or email. If a quorum is not present within 30 (Thirty) minutes of the scheduled time for any meeting of the Board, then the meeting shall be adjourned to the next business day at the same time and venue. Notice of the adjourned meeting shall be given to all Directors/Observer by facsimile transmission or e-mail and the adjourned Board meeting shall consider the same matters as were on the agenda for the meeting that was adjourned.
- 2) In the event that the Investor Nominee Director is still not available at the adjourned meeting, then the Directors present shall constitute the quorum to conduct business as set out in the notice and detailed agenda for the said meeting, provided that no decisions shall be made or resolutions passed in such adjourned meeting in respect of matters that require Investor consent under these Articles, including the matters listed in these Articles. Under no circumstances shall any item be considered at such reconvened meeting which was not on the agenda for the meeting which was adjourned.

c) Circular Resolutions

The Board may act by written resolution, or in any other legally permissible manner, on any matter, except matters, which by law may only be acted upon at a meeting or matters listed in listed in these Articles unless the Investor consents thereto. Subject to any restrictions imposed by law, no written resolution shall be deemed to have been duly adopted by the Board, unless such written resolution shall have been approved by the requisite majority of Directors, including the Investor Nominee Director as provided in these Articles in respect of matters set forth therein.

d) Alternate Director

The Board shall, if requested by any Director (other than an alternate Director) appoint any other Director to act as his alternate during the absence of such Director from the state in which meetings of the Board are ordinarily held for the period prescribed under the Act. The original Director in whose place such alternate Director is to be appointed shall recommend the alternate Director to the Board. An existing director may be appointed as an alternate Director for another Director. In such case a Director so appointed as an alternate for another Director shall, at any Board meeting, have one vote for himself and one vote for each other Director for whom he is appointed as an alternate.

e) Committees of Board

The Company shall constitute such committees of the Board including audit sub-committee with such composition and functions as may be required by the Investor for close monitoring of different aspects of its working.

f) Decisions of the Board

Except as mentioned elsewhere in these Articles, the questions arising at any meeting of the Board or decision by circular resolution shall be decided by a simple majority of votes.

g) Affirmative Voting Rights

- 1) The Parties hereby agree that notwithstanding any other provision of the Agreement or any power conferred upon the Board by the Agreement/ these Articles, the Act or the Articles, the Company shall consider and decide the following matters only at meetings of the Board and not by circular resolution, unless the Investor specifically agrees otherwise in writing. Further, in addition to and without prejudice to the rights of the Investor provided elsewhere in these Articles, no resolution(s) concerning these matters can be validly passed and no action taken by the Company unless the affirmative vote(s) of the Investor Nominee Director or the express written approval of the Investor is obtained for it. Provided further, that if any of the matters listed below is proposed at a general meeting, whether statutorily required to be decided at a general meeting or otherwise, no resolution in this respect shall be deemed to have been passed unless the affirmative vote of an authorised representative of the Investor has been cast.
  - i. Entering into any transaction with any Affiliate/subsidiaries of any Party or any agreement or arrangement between the Company on one hand and any Shareholder, Director, and/ or Promoters and/or its/their Affiliates/subsidiaries on the other;
  - ii. Incurring any expenditure, including revenue and capital expenditure over 10% of the amount stated in the Business Plan;
  - iii. Appointment, re-appointment, removal, determination or alteration of the terms of employment (including enhancement of remuneration) of whole-time directors, managing director or key managerial personnel (including the Promoters shall) of regards the Company, its existing and future subsidiaries;
  - iv. Determination and alteration of personnel policy, including creation of posts, selection procedure, recruitment and salaries of senior executives;
  - v. Purchase and sale of assets amounting to more than ₹ 25,00,000/- (Rupees Twenty-Five Lakhs only);
  - vi. Purchase policy, approval of orders and contracts amounting to more than ₹ 50,00,000/- (Rupees Fifty Lakhs only);

- vii. Policies in respect of appointment of dealers/distributors/agents for the Company's products in variation of existing policies and/ of in addition to already existing and prevailing policies of the Company in this regard;
- viii. Proposal for any expansion or diversification of the business of the Company;
- ix. Undertaking any new activity, project or business venture other than the Project/Business Plan or diversify, modernise or expand or change in the nature or scope of the Project/Business Plan;
- x. Approval of the annual budget and Business Plan;
- xi. Listing of Shares on stock exchanges and matters connected therewith, including the timing, pricing, appointment of merchant banker etc;
- xii. Timing and terms of offer of sale;
- xiii. Any borrowing either short term or long term, including accepting deposits from public and prepayment or repayment of the same *not including* any temporary loans and advances granted to staff, contractors or suppliers (for a reasonable term) in the ordinary course of business or raising of unsecured loans, overdrafts, cash credit or other facilities from banks in the ordinary course of business;
- xiv. Granting any loans, amounting to more than ₹ 25,00,000/- (Rupees Twenty-Five Lakhs only);
- xv. Investments by way of deposits, loans, share capital, etc. in any company or concern;
- xvi. Formation of subsidiaries or allowing any company to become the Company's subsidiary or sell any subsidiary;
- xvii. Finalization of accounts, formulation, decide/change in accounting policies;
- xviii. Any Liquidation Event;
- xix. Any alteration of any rights of any class of Shareholders;
- xx. Any amendment to the Memorandum and Articles of Association of the Company;
- xxi. Any transfer, assignment, sale, license or franchise or part with, for development/ production /operation/sale to any party, the intellectual property rights owned by the Company;
- xxii. Any transfer, assignment, sale, license or franchise or part with the technical know-how of the product / process developed with the venture or title to its products, copyrights, patent rights, etc. to any other person in India or abroad;
- xxiii. Fresh issue of capital such as issuance of Shares, debentures or any other securities of the Company or any transfer or encumbrance on any Shares held by any Shareholder other than the Investor;
- xxiv. Entering into or modifying or terminating any joint ventures or strategic alliances, purchase, selling or marketing arrangements (including long term/exclusive marketing and purchase arrangements or alliance with Affiliates) that affects the long term performance of the Company and are amounting to more than ₹ 50,00,000/- (Rupees Fifty Lakhs only); Entering into or undertaking strategic alliances, mergers, acquisitions, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders, capital restructuring or effect any scheme of amalgamation or reconstruction;
- xxv. Payment of dividends;
- xxvi. Capitalisation of reserves;
- xxvii. Changes to size / election procedure of Board;
- xxviii. Setting up of committees of Directors;
- xxix. Appointment and removal of internal and statutory auditors;
- xxx. Adopting/drawing up a stock option plan or stock purchase scheme or additional/new profit sharing scheme for the employees;
- xxxi. Any buy back or redemption of Equity Shares or preference shares;
- xxxii. Selection of a collaborator or material modification or cancellation of the Company's agreements with its Collaborators;
- xxxiii. Assignment or transfer all or any part of its rights and obligations under these Articles;
- xxxiv. Payment of any commission to its Promoters, Other Shareholders, Directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any financial assistance obtained for or by the Company or in connection with any other obligation undertaken for or by the Company;
- xxxv. Creation of a charge on its assets;
- xxxvi. Giving any guarantees *not including* normal trade guarantees (for a reasonable term) in the ordinary course of business;
- xxxvii. Deciding/ Change in accounting policy; and
- xxxviii. Any decision on the capitalization of revenue expenditure.

## 19. MANAGEMENT

- a) Subject to the provisions of the Act, the management and superintendence of the affairs of the Company, subject

to the overall control of the Board of Directors, shall be vested in the Managing Director(s) or any other Director upon such terms and conditions as the Board thinks fit either for fixed and/or office. The Board from time to time (subject to the provisions of any contract entered into between him and the Company) remove such Managing Director or whole time Director and appoint another in his place. The Managing or whole time Director(s) shall not retire by rotation while holding that office and shall not be reckoned as Director(s) for determining the rotation of retirement of Director or in fixing the number of Directors to retire.

- b) Subject to the Act, the Directors may from time to time appoint Chairman, Managing Director, whole time Director, General Manager, Secretary, Branch Manager, Attorney, Agent or any other officials as the case may be and vest any of the powers authorities and discretion for the time being vested in the Directors and any such appointment or delegation may be made on such terms and conditions including powers to sub-delegate as the Directors may think fit and the Directors may at any time, unless otherwise provided, revoke or amend such delegated authority, power or discretion.

## 20. ACCOUNTS

- a) Auditors

The statutory auditors of the Company shall be a well-known and reputed firm of chartered accountants acceptable to the Investor.

- b) Submission of periodic reports and Information relating to the Project

- 2) The Company shall prepare and provide to the Investor:

- i. quarterly financial statements of the Company and its subsidiaries in a format acceptable to the Investor, within 15(Fifteen) days after the end of each relevant quarter. Such reports shall include, but shall not be limited to, operating statements, income statements, balance sheet, cash flow, management discussion, and an analysis of the operating management and financial health accompanied by notes. Additionally, the Company and Promoters will annually provide an operating plan and budget for the next year;

- ii. all such information relating to the Project and its operations being financed out of the Subscription Amount, as the Investor shall, from time to time, at its discretion request; and

- iii. reasonable access to all the records of the Company and any other information specifically sort for by the Investor.

- 3) Notices and minutes of meetings

Subject to the Act, copies of all notices, circulars and minutes of meetings and such other information pertaining to the Company which are made available to the Board / Shareholders shall be provided to the Investor promptly at the same time.

- 4) General Covenants

Unless otherwise agreed to by the Investor, the Company shall:

- 5) Notice of Winding Up or Other Legal Process

Promptly inform the Investor if it has received notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act, or any other notice under any other Act or otherwise of any suit or legal process intended to be filed or initiated against the Company or if a receiver or administrator is appointed of any of its properties or business or undertaking.

- 6) Adverse Changes in Profits and Production

Promptly inform the Investor of the occurrence of any labour strike, lockout, layoff, shutdown, fire or any event likely to have a Material Adverse Effect on the Company's profits or business with an explanation of the reasons therefore.

- 7) Insurance

Keep insured all its properties and equipments against all risks and pay all premia and other sums payable for that purpose.

## 21. SECRECY

Every manager, auditor, trustee, member of a committee officer, servant, agent, accountant or other person, employed in the business of the Company shall, if so, required by the Board of Directors before entering upon his duties shall take the oath of secrecy.

## 22. BORROWING POWERS

- a) The Directors shall have the power, from time to time and at their discretion to borrow, raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions on all respects as they think fit and in particular by the issue of debentures or bonds, of the Company or by mortgage, charged upon all or any of the properties of the company both present and future including its uncalled capital for the time being.

- b) Subject to the provisions of the Act, any debenture stock, bonds or other securities (excluding shares) may be issued at a discount, premium or otherwise and with special privileges as to redemption, surrender, drawing, attending and voting at general meeting of the Company, appointment of Directors and otherwise.

23. **OPERATION OF BANK ACCOUNTS**

The person(s) authorized by the resolution of the Board of Directors shall have the power to open bank accounts, to sign cheques on behalf of the company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies, bills or may authorize any other persons to exercise such powers.

24. **WINDING UP**

- a) If the company shall be wound up the liquidator may, with the sanction of a special resolution of the Company and other sanction required by the Act, divide amongst members in specie or kind, the whole or any part of the assets of the company, whether they consist of property of the same kind or not.
- b) For the purpose aforesaid, the liquidator may set such value, as he deems fair upon any property to be divided as aforesaid, may determine how such divisions shall be carried out as between the members or different classes of members.
- c) The liquidator may with like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit but so that no member shall be compelled to accept any shares or other securities where there is any liability.
- d) Every officer or agent for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or in connection with any application under Section 633 in which relief is granted to him by the court.

25. **ARBITRATION**

- a) If any dispute, difference, claim or question shall at any time arise between the Parties to the Agreement on any Article or matter herein contained or their respective rights, claims or liabilities hereunder in relation to or arising out of or concerning the Agreement, such dispute, difference, claim or question shall be referred to arbitration. The Investor shall appoint a sole arbitrator at its sole discretion and same shall be binding on the Company, the Promoters and the Other Shareholders. The Investor shall notify the Company, the Promoters and the Other Shareholders of such appointment in accordance with law. Such arbitration shall be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof. The seat and venue of arbitration shall be Mumbai and the proceedings shall be in the English language. The decision of the sole arbitrator shall be final and binding on the Investor, the Company and the Promoter.

26. **THE SEAL**

- a) The Board shall provide for the safe custody of the Seal of the Company.
- b) The seal shall not be affixed on any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf and except in the presence of at least one director who shall sign every instrument to which the seal of the Company is so affixed in his presence. The share certificate will, however be signed and sealed in accordance with rules prescribed for it.

Sr. No.	Names, addresses, Description & Occupation of each subscribers	Signature of the Subscriber	Names, Addresses, Description & Occupation of the witness
1.	<b>SANDEEP SIKKA</b> S/o Sh. Shanti Lal Sikka 120, Shakti Nagar, Jalandhar City. (Business)	Sd/-	
2.	<b>AJAY SIKKA</b> S/o Sh. Ram Parkash Sikka 148, Shakti Nagar, Jalandhar City. (Business)	Sd/-	Witness for both subscribers  <b>R.P. GUPTA</b> S/o Sh. Ram Saran 86, Nehru Garden Road, Jalandhar City  Sd/-

Date: 10.06.1994

Place: Jalandhar

## SECTION X - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be filed with the Registrar of Companies for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at A-12 Industrial Development Colony Jalandhar - 144012, Punjab, India, between 10.00 a.m. and 5.00 p.m. (IST) on all Working Days from the date of this Prospectus until the Offer Closing Date.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A) Material contracts for the Issue

1. Offer Agreement dated June 29, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated June 29, 2023 between our Company and Registrar to the Offer.
3. Underwriting Agreement dated September 16, 2023 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated September 16, 2023 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Offer Agreement dated September 16, 2023 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Offer.
6. Selling Shareholder's Escrow Agreement dated September 19, 2023 entered into amongst the Selling Shareholder, our Company Fedex Securities Private Limited and the Share Escrow Agent
7. Tripartite agreement dated September 08, 2014 amongst our Company, Central Depository Services (India) Limited and Registrar to the Offer
8. Tripartite agreement dated April 07, 2014 amongst our Company, National Securities Depository Limited and Registrar to the Offer.

#### B) Material documents for the Offer

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated March 28, 2023 in relation to the Offer and other related matters.
3. Shareholders' resolution dated April 15, 2023 in relation to the Offer and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Selling Shareholder, Lead Manager, Legal Advisor to the Offer, the Registrar to the Offer to include their names in this Draft Prospectus/Prospectus and to act in their respective capacities.
5. Consent dated September 16, 2023, from JMR & Associates, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Prospectus and referred to as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of certifications issued by them in their capacity as Peer Review Auditor to our Company.
6. Consent letter September 19, 2023, from /s. Sharp & Tannan, Chartered Accountant , to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Prospectus and referred to as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect to the extent and in their capacity and in respect to their Audited Financial Statement for the Financial year ended on March 31, 2023, March 31, 2022, March 31, 2021 & March 31, 2020.
7. Consent dated September 12, 2023, from R.P. Gupta & Associates, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus/Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of certifications issued by them in their capacity as independent chartered accountant to our Company and issued by them, included in this Draft Prospectus/Prospectus and such consent has not been withdrawn as on the date of this Prospectus
8. Consent letter dated September 09, 2023, from the Chartered Engineer, Kunwar Sunil Kumar, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of details of capacity and capacity utilization of our Company.
9. Peer Review Auditors Report dated September 16, 2023 on Restated Financial Statements of our Company for the financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021.
10. The Report dated September 23, 2023 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus/ Prospectus.

11. Approval from NSE vide letter dated August 29, 2023 to use the name of NSE in this Offer Document for listing of Equity Shares on the NSE EMERGE.
12. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Issue.
13. Copies of the annual report of our Company for the financial year ended as on March 31, 2023, March 31, 2022, March 31, 2021 and March 31, 2020.
14. Board Resolution dated June 30, 2023 & September 23, 2023 for approval of this Prospectus and Prospectus respectively.
15. Certificate dated September 23, 2023, from JMR & Associates, Peer Review Auditors verifying the Key Performance Indicators (KPIs).
16. Certificate dated September 23, 2023 from JMR & Associates, Peer Review Auditors, to include details regarding working capital requirements of the Company.
17. Engagement letter dated May 27, 2022 executed between Neomile Corporate Advisory Private Limited and Company, as updated from time to time.
18. Consent letter dated June 28, 2023 from the Selling Shareholder

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 1956/ Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

NAME OF DIRECTOR AND DIN	DESIGNATION	SIGNATURE
<b>Ajay Sikka</b> DIN: 00665858	Managing Director	Sd/-
<b>Gopika Sikka</b> DIN: 00665904	Whole - Time Director and Chief Financial Officer	Sd/-
<b>Avinash Shripad Joshi</b> DIN: 08801080	Non-Executive Director	Sd/-
<b>Rahul Sharma</b> DIN: 09793480	Non-Executive Director	Sd/-
<b>Manmohan Puri</b> DIN: 10087749	Non-Executive Independent Director	Sd/
<b>Suraj Singhal</b> DIN: 09130650	Non-Executive Independent Director	Sd/-

**Date:** September 23, 2023

**Place:** Jalandhar, Punjab

## DECLARATION

We, SIDBI Trustee Company Limited A/c India Opportunities Fund, a Selling Shareholder, hereby certify that all statements, disclosures, and undertakings specifically made or confirmed by us in this Draft Prospectus/Prospectus in relation to us, as a Selling Shareholder and our Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Prospectus/Prospectus.

Signed for and on behalf of SIDBI Trustee Company Limited A/c India Opportunities Fund

Sd/-

For **SIDBI Trustee Company Limited A/c India Opportunities Fund**

Name: Sajit Kumar

Designation: Sr Vice President, SIDBI Venture Capital Limited (acting in the capacity of Investment Manager of SIDBI Trustee Company Limited A/c India Opportunities Fund)

Date: September 23, 2023

**ANNEXURE A**

<b>Sr No.</b>	<b>Name of Selling Shareholder</b>	<b>Number of Equity Shares offered</b>
<b>1.</b>	SIDBI Trustee Company Limited A/c India Opportunities Fund	19,28,516 Equity Shares
<b>Total</b>		<b>19,28,516 Equity Shares</b>