



KPMR & Associates

Chartered Accountants

Room No. 318, 3rd Floor, Sri Ram Plaza
Bank More, Dist.: Dhanbad (Jharkhand)
Tel.: 0326-7960348, 7004753757
E-mail : agarwalv3@gmail.com

Certificate No: 07

CERTIFICATE ON RATIOS FOR BASIS FOR ISSUE PRICE

To,

The Board of Directors
Classic Electrodes (India) Limited
1A, Bonfield Lane,
Kolkata West Bengal 700001 India

GYR Capital Advisors Private Limited
428, Gala Empire, Near JB Tower,
Drive in Road, Thaltej,
Ahemdabad-380 054,
Gujarat, India.

(GYR Capital Advisors Private Limited referred to as the "Book Running Lead Manager")

Dear Sir(s),

Sub: Proposed initial public offering of equity shares of ₹ 10 each (the "Equity Shares") of **Classic Electrodes (India) Limited** (the "Company" and such offering, the "Issue")

In connection with calculation of the issue price of the Equity Shares in the Issue, we have verified the information mentioned in **Annexure A** with respect to the Company, extracted from the financial statements of the Company as at and for the period ended February 28, 2025 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and other relevant records of the Company.

We hereby confirm that we have conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the 'Guidance Note on the Reports or Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India ("ICAI"), as revised from time to time, to obtain a reasonable assurance that such details are in agreement with the books of accounts and other relevant records provided to us, in all material respects; the aforesaid Guidance Notes requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time. We also confirm that we have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

This certificate is for your information and for inclusion in the Red Herring Prospectus and the prospectus (the "Offer Documents"), to be issued by the Company in relation to the Issue and to be filed/registered with the SME Emerge Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed ("Stock Exchange") and the Registrar of Companies West Bengal at Kolkata ("ROC"), as applicable.

This certificate may be relied upon by the Book Running Lead Manager and the legal counsel appointed in relation to the Issue. We hereby consent to the extracts of this certificate being used in the Offer Documents and in any other material used in connection with the Issue. We also consent to the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.





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Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Red Herring Prospectus.

Yours sincerely,

For, KPMR & Associates

Chartered Accountants

FRN: 002504N

Vishal K Agarwal



CA Vishal Kumar Agarwal

Partner

M. No.:303733

Place: Kolkata

Date: 13.08.2025

UDIN: 25303733BMJQRI1124

Peer Review No. :015907

CC:

Legal counsel to the Issue

M/s Vidhigya and Associates

501, 5th floor, Jeevan Sahakar Building
Homji Street, Fort, Mumbai 400 001

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Annexure A**I. As per the restated financial statements**

1. Basic and Diluted Earnings Per Share ("EPS") of ₹ 10 [●] per Equity Share (as adjusted for changes in capital, if any):

Fiscal	Basic and Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2024	9.32	3
Financial Year ended March 31, 2023	1.58	2
Financial Year ended March 31, 2022	1.13	1
Weighted Average	5.38	
Period ended February 28, 2025	7.26	

Note:

- Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year.
- Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.
- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year
- The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
- The EPS has been calculated in accordance with AS 20 Earnings Per Share (EPS) issued by Institute of Chartered Accountants of India. .

2. Return On Net Worth ("RONW"):

Fiscal	RONW (%)	Weight
Financial Year ended March 31, 2024	36.14%	3
Financial Year ended March 31, 2023	9.59%	2
Financial Year ended March 31, 2022	7.60%	1
Weighted Average	22.53%	
Period ended February 28, 2025	21.95%	

RONW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholders' funds for that year. Shareholders' funds = Share capital + reserves & surplus – revaluation reserves.

3. Net Asset Value ("NAV") per Equity Share as per last balance sheet:

Fiscal	NAV per share (in ₹)
Period ended February 28, 2025	33.05
Financial Year ended March 31, 2024	25.79
Financial Year ended March 31, 2023	16.47
Financial Year ended March 31, 2022	14.89

NAV (book value per share) = Total shareholders' funds divided by number of shares outstanding



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4. P/E Ratio in relation to the Issue Price of ₹ 10 [●] per Equity Share:

Particulars	P/E Ratio at Floor Price	P/E Ratio at Cap Price
P/ E ratio based on diluted EPS for period ended February, 2025.	[●]	[●]
P/ E ratio based on diluted EPS for fiscal year 2024	[●]	[●]
P/ E ratio based on diluted EPS for fiscal year 2023	[●]	[●]
P/ E ratio based on basic EPS for fiscal year 2022	[●]	[●]

5. Comparison with listed industry peers

Name of Company	Latest financial year (on a consolidated basis)	Face Value (Rs per share)	EPS (Rs per share)		NAV ⁽¹⁾ (Rs. per share)	CMP*	P/E ⁽²⁾	RONW ⁽³⁾ (%)
			Basic (Rs)	Diluted (Rs)				
Classic Electrodes (India) Limited	February 28, 2025	10	7.26/-	7.26/-	33.05	[●]	[●]	21.95
Ador Welding Limited	March 31, 2025	10	34.51/-	34.51/-	291.38/-	985.10/-	28.55	11.84%
D & H India Limited	March 31, 2025	10	6.40/-	6.40/-	57.38/-	185.15/-	28.93	10.97%
Diffusion Engineers Ltd	March 31, 2025	10	9.59/-	9.59/-	98.56/-	325.20/-	33.91	9.73%

(1) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

(2) P/E Ratio has been computed based on the closing market price of equity shares on August 05, 2025, on www.bseindia.com, divided by the Diluted EPS as on March 31, 2025.

(3) Ro/NW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus. In case the net worth is negative for a particular year, the same has not been considered.

6. Weighted Average Cost of Acquisition (WACA), Floor Price and Cap Price:

(a) The price per share of our Company based on the primary/ new issue of shares

The details of the Equity Shares excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 months preceding the date of this Red Herring Prospectus where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre issue capital before such transaction), in a single transaction or multiple transactions combined together over a span of rolling 30 days;

Date of allotment	No. of Equity Shares	Face Value	Issue Price	Nature of allotment	Nature of Considerati	Total of Consideration
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	allotted			on	(₹ in Lakhs)
NA					

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

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this red herring prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) Weighted average cost of acquisition (WACA), floor price and cap price for the last 3 years preceding the RHP:

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

Primary transactions						
Date of allotment	Nature of transaction	No. of Equity Shares	Cost per Equity Share	Total Cost in Lakhs	Cumulative amount paid for the Equity Shares	Cumulative No. of Equity Shares
NA						
Secondary transactions						
NA						
Weighted average cost of acquisition (secondary transactions) (₹ per Equity Share)						

d) Weighted average cost of acquisition, floor price and cap price:

Type of transaction	Weighted average cost of acquisition (₹ per equity share)	Floor Price	Cap Price
I. Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Daft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA**		
II. Weighted average cost of acquisition for last 18	NA**		





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months for secondary sale/acquisition of shares equity/convertible securities, where promoter/promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board are a party to the transaction, during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition or sale is equal to or more than five percent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days

II. Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction, is as below

WACA of primary / new issue acquisition	[•]	[•]	[•]
WACA of secondary acquisition	NIL	-	-

