



TIMSI & ASSOCIATES **Chartered Accountants**

REGD. OFF: A-125, Sector - 48, NOIDA(U P) - 201301

CONTACT: +91-7838583808

EMAIL ID: ca1timsisharma@gmail.com

To,

Earkart Limited

(Formerly known as Earkart Private Limited)

Shop No. 8-P, Street No. 6, Vasundhara Enclave, East
Delhi,

Delhi-110096

To,

Sarthi Capital Advisors Private Limited

("Book Running Lead Manager")

401, 4th Floor, Manek Plaza, 167, Vidyanagari Marg,
Kalina, Santacruz (East), Mumbai-400 098

Dear Sir(s):

Sub: Proposed Initial Public Offering of Equity Shares of ₹10 each (the "Equity Shares") of Earkart Limited (the "Company" and such offering, the "issue")

We, **M/s Timsi & Associates**, Chartered Accountant, having Firm Registration Number [020141C] hereby issue this certificate in connection with the assessment of the Key Performance Indicators (KPIs) for the period ended March 31, 2025 and for the financial year ended March 31, 2024 and March 31, 2023. ("**Restated Financial Statement**")

Based on our examination and audit procedures performed in accordance with accounting principle we hereby confirm that we have reviewed and evaluated the KPIs reported by Earkart Limited for the aforementioned financial year. Our evaluation includes a consideration of the following:

Based on our assessment, we confirm that the KPIs reported by issuer for the period ended March 31, 2025 and for the financial year ended March 31, 2024 and March 31, 2023 have been fairly presented, accurately calculated, consistently applied, and appropriately disclosed in accordance with relevant regulations and standards.

The table below sets forth the details of our Key Performance Indicators that our Company considers have a bearing for arriving at the basis for Offer Price. The Key Performance Indicators set forth below have been approved by our Audit Committee pursuant to the resolution at its meeting dated _____. Further, our Company's Audit Committee as on _____, taken on record that other than the Key Performance Indicators set out below, our Company has not disclosed any other Key Performance Indicators during the 3 years preceding the date of this Draft Prospectus to its investors.

The KPIs disclosed below have been used historically by our Company to understand and analyse the operational and the financial performance, which in result, helps it in analysing the growth of various verticals in comparison to its listed peers, and other relevant and material KPIs of the business of our Company that have a bearing on arriving at the Basis for Issue Price have been disclosed below.

Key Performance Indicators

(₹ in Lakhs)

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations	4,310.62	3,175.46	2,891.63
Total Income	4,319.21	3,196.69	2,896.68
EBITDA ¹	976.27	355.17	160.87
EBIT ²	942.42	357.63	150.91
EBT ³	901.57	324.38	145.24
PAT ⁴	688.17	305.81	131.20
EBITDA Margin ⁵	22.65%	11.18%	5.56%
EBIT Margin ⁶	21.82%	11.19%	5.21%
EBT Margin ⁷	20.87%	10.15%	5.01%
PAT Margin ⁸	15.93%	9.57%	4.53%
Return on Equity ⁹	34.55%	23.46%	19.99%
Return on Capital Employed ¹⁰	47.32%	27.44%	23.00%



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1. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is calculated as sum of Profit Before Tax, Finance Cost & Depreciation and Amortization excluding Other Income
2. EBIT (Earning Before Interest & Tax) is calculated as EBITDA Add Other Income less Depreciation
3. EBT (Earning Before Tax) is calculated as EBIT less Finance Cost
4. PAT (Profit After Tax) is calculated as EBT less Tax
5. EBITDA Margin is calculated as EBITDA divided by Revenue from operation
6. EBIT Margin is calculated as EBIT divided by Total Income
7. EBT Margin is calculated as EBT divided by Total Income
8. PAT Margin is calculated as PAT divided by Total Income
9. RoE (Return on Equity) is calculated as PAT divided by Net worth
10. RoCE (Return on Capital Employed) is calculated as EBIT divided by Capital Employed

Explanation for Key Performance Indicators

KPI	Explanation
Revenue from Operations	Revenue from operations refers to revenue from sales of products, sale of services and other operating income.
Total Revenue	Total Revenue refers to Revenue from operations plus Other Income.
EBITDA	EBITDA is an alternative way to calculate profitability that focuses on a company's ability to generate cash from its regular operations.
EBIT	Measures a company's net income before income tax and interest expenses are deducted.
EBT	Measures a company's net income before income tax.
PAT	Profit for the year after tax that are available to shareholders.
EBITDA Margin	EBITDA Margin is an indicator to measure efficiency of generating core profitability of company.
EBIT Margin	EBIT Margin is an indicator use to measure the efficiency of company to generate operating profits.
EBT Margin	EBT Margin used as indicator to calculate profitability before tax as percent of Total Revenue.
PAT Margin	PAT Margin used as measure of calculation profit available to shareholders as percent of Total Revenue.
RoE	RoE measure the ability to gauge how much shareholders are earning on their investments. It exhibits how well the company has utilised the shareholder's money.
RoCE	RoCE indicates how efficiently capital is being used in the business. It provides the ability of the company to generate the returns against the capital it put to use.

Table set forth below shows the revenue and EBITDA of the company.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Total Income	4,319.21	3,196.69	2,896.68
EBITDA	976.27	355.17	160.87
EBITDA Margin	22.65%	11.18%	5.56%

In Fiscal 2023 EBITDA margin was 5.56%, this was primarily driven by increased volumes from private party, government sale and better price realisation. Also, due to better operational efficiency, operational cost as percent of total revenue declined to 94.27% in fiscal 2023 which added to better margins.

In fiscal 2024, company has reported EBITDA margin of 11.18%, this was primarily on account of increased Private party sale and better realisation on sale of products. Also, optimization of operational cost has added to margins. Cost as percent of total revenue has declined from 94.27% in fiscal 2023 to 88.23% in fiscal 2024.

In fiscal 2025, company has reported EBITDA margin of 22.65%, the operational cost as percent of total revenue has declined from 89.85% in Fiscal 2024 to 79.13% in fiscal 2025.



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Rise in production level and higher sales volume and increase in sale price of products has resulted in cost optimization over the years which led to increase in EBITDA margins for the said periods.

Peer Comparison

(₹ in Lakhs)

Particulars	Earkart Limited			OSEL Devices Limited		
	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations	4,310.62	3,175.46	2,891.63	18,646.87	13,223.35	8,188.68
Total Income	4,319.21	3,196.69	2,896.68	18,660.07	13,268.52	8,195.58
EBITDA	976.27	355.17	160.87	3,339.62	2,243.12	861.47
EBIT	942.42	357.63	150.91	3,243.02	2,193.03	810.25
EBT	901.57	324.38	145.24	2,896.30	1,854.56	696.72
PAT	688.17	305.81	131.20	2,005.27	1,268.41	466.00
EBITDA Margin	22.65%	11.18%	5.56%	17.91%	16.96%	10.52%
EBIT Margin	21.82%	11.19%	5.21%	17.38%	16.53%	9.89%
EBT Margin	20.87%	10.15%	5.01%	15.52%	13.98%	8.50%
PAT Margin	15.93%	9.57%	4.53%	10.75%	9.56%	5.69%
Share Capital	1,043.89	6.91	6.77	1,612.92	1,153.82	186.10
Other Equity	947.77	1,296.58	649.47	9,182.00	1,380.40	1,042.90
Net Worth	1,991.66	1,303.49	656.24	10,794.92	2,534.22	1,229.00
Return on Equity	34.55%	23.46%	19.99%	18.58%	50.05%	37.92%
Return on Capital Employed	47.32%	27.44%	23.00%	29.38%	65.90%	59.83%

Weighted average cost of acquisition:

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

There has been no issuance of Equity Shares, other than Allotment of Equity Shares pursuant to conversion of CCPS and Bonus issue on September 30, 2024 during the 18 months preceding the date of this 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) in a single transaction or multiple transactions combined together over a span of rolling 30 days.

b) The price per share of Company based on the secondary sale / acquisition of shares (equity 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 of Equity shares), during the 18 months preceding the date of this certificate, 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 in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last five primary or secondary transactions (secondary transactions where our Promoters/ members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of this Prospectus irrespective of the size of transactions, is as below:



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Date of allotment/ transaction	No. of equity shares	Face value per Equity Share (₹)	Issue/ Transaction price per equity share (₹)	Nature of allotment/ transaction	Nature of consideration	Total consideration (in ₹ lakhs)
Primary Issuance						
September 30, 2024	19,132	10	-	Conversion of CCPS in to Equity Shares	N.A	-
September 30, 2024	2,07,39,600	5	-	Bonus Issue	N.A	-
Weighted Average Cost of Acquisition (Primary transactions)						Nil
Secondary Transaction						
September 21, 2024	154	10	23,948	Transfer	Cash	36.88
December 13, 2024	3,23,744	5	7.00	Transfer	Cash	22.66
May 06, 2025	46,508	5	79.50	Transfer	Cash	36.97
Weighted Average Cost of Acquisition (Secondary transactions)						26.06

Weighted average cost of acquisition, offer price

Types of transactions	Weighted average cost of acquisition (Rs. per Equity Shares)	Offer Price (i.e. Rs. [●])
Weighted average cost of acquisition of primary / new issue as per paragraph (a) above.	Nil	[●]
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph (b) above.	Nil	[●]

*Will be updated at the time of prospectus

This certificate is issued solely for the purpose of confirming our evaluation of the reported KPIs for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 and should not be used for any other purpose without our prior written consent.

Sincerely,

For Timsi and Associates
Chartered Accountants
ICAI Firm Registration No.: 020141C


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Chartered Accountants
M. No. 535006

Timsi Sharma
Proprietor
Membership No: 535006
Place: NOIDA
Date: 15.09.2025
UDIN: 25535006BMSCQL2662