

ROYALARC ELECTRODES LIMITED

MUMBAI

CIN : U31100MH1996PLC096296

24TH ANNUAL REPORT

YEAR 2019-20

BOARD OF DIRECTORS:-

MR. BIPIN SANGHVI
MR. KISHOR SHETTY
MRS. SAVITA SHETTY
MR. HARDIK SANGHVI
MR. SWAGAT SANGHVI

AUDITOR:

GANESH ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

REGISTERED OFFICE :-

72B, BOMBAY TALKIES COMPOUND,
S V ROAD, MALAD (W),
MUMBAI, MAHARASTRA-400064



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LIMITED[®]

Mfgs. Of : WELDING CONSUMABLES

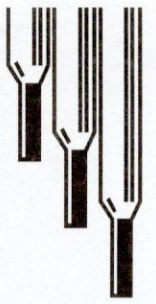
72B, Bombay Talkies Compound,

Malad (West), Mumbai - 400 064, Maharashtra, India.

Tel. No.: +91-22-2882 2374, 2882 0328 • Mob.: +91 9987218333

Email: royalarc@royalarc.in • Website: www.royal-welding.com

NOTICE



To,
The Members of M/s. Royalarc Electrodes Limited

NOTICE is hereby given that the **ANNUAL GENERAL MEETING** of the Members of **M/S. Royalarc Electrodes Limited** will be held at the Registered Office of the Company at 72 B, Bombay Talkies Compound, S.V. Road, Malad West Mumbai City, Maharashtra 400064 on Thursday, the 31st day of December, 2020, at 10:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2020, including the Audited Balance Sheet as at 31st March, 2020, the Statement of Profit & Loss & Cash Flow for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint director in place of Mrs. Savita Chandrahas Shetty (DIN: 00462830), who retires by rotation and being eligible offer himself for reappointment.
3. To appoint director in place of Mr. Swagat Bipin Sanghvi (DIN: 01695341), who retires by rotation and being eligible offer himself for re-appointment.
4. To make appointment of Statutory Auditors **M/s. BAGADIYA & JAIN., Chartered Accountant, Ahmedabad, (Firm Registration No.: 128719W)** for a period of five years and fix the remuneration, thereafter shall pass following resolution:

"RESOLVED THAT pursuant to the provision of Section 139 of Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force), **M/s. BAGADIYA & JAIN., Chartered Accountant, Ahmedabad, (Firm Registration No.: 128719W)** be and is hereby Appointed as statutory auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of Annual General Meeting (AGM) to be held in the year 2025, at such a remuneration as may be fixed by the Board of Directors of the Company in consultation with statutory auditors of the Company."

Advanced Technology... Wide Range...

"FURTHER RESOLVED THAT any one Director of the Company, be and is, hereby authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with concerned Registrar of Companies."



For, M/s. Royalarc Electrodes Limited

Mr. Bipin Sanghvi
Managing Director
DIN: 00462839

Mr. Kishore Shetty
WholeTime Director
DIN: 00462833

Place: Mumbai

Date: 30th December, 2020

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10%) percent of the total share capital of the company carrying voting rights. A member holding more than ten (10%) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
The instrument of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The Shareholders are requested to notify the change, if any, in their registered address to the Company immediately.
3. Members/ proxies should bring the attendance slip duly filled in for attending the meeting.
4. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
5. The members are requested to intimate to the company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

Encl:

1. Agenda for the Meeting
2. Proxy Form as in MGT 11
3. Attendance Slip



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LIMITED®

Mfgs. Of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,

Malad (West), Mumbai - 400 064, Maharashtra, India.

Tel. No.: +91-22-2882 2374, 2882 0328 • Mob.: +91 9987218333

Email: royalarc@royalarc.in • Website: www.royal-welding.com

Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]



Name of the Company	: <u>Royalarc Electrodes Limited</u>
CIN	: <u>U31100MH1996PLC096296</u>
Registered office	: <u>72 B, Bombay Talkies Compound, S.V. Road, Malad West Mumbai City, Maharashtra 400064</u>

Name of the Member(s)	: _____
Registered address	: _____
E-mail Id	: _____
Folio No	: _____

I/ We being the member of, holding.....shares, hereby appoint

1. Name : _____ Email ID: _____
 Address: _____
 _____ Signature: _____

2. Name : _____ Email ID: _____
 Address: _____
 _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of members of the Company, to be held on Thursday, 31st December, 2020 at 10 A.M. at the registered office of the Company at 72 B, Bombay Talkies Compound, S.V. Road, Malad West Mumbai City, Maharashtra 400064, and at any adjournment thereof in respect of such resolutions as are indicated in the Notice calling Annual General Meeting.

Signed this Day of....., 2020

Signature of Shareholder
Name of Shareholder:

Signature of Proxy holder(s)
Name of Proxy holder(s):

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Advanced Technology... Wide Range...



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LIMITED[®]

Mfgs. Of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,

Malad (West), Mumbai - 400 064, Maharashtra, India.

Tel. No.: +91-22-2882 2374, 2882 0328 • Mob.: +91 9987218333

Email: royalarc@royalarc.in • Website: www.royal-welding.com



Attendance Slip

(To be presented at the entrance)

ANNUAL GENERAL MEETING

Thursday, THE 31ST DAY OF DECEMBER, 2020

at 72 B, Bombay Talkies Compound, S.V. Road, Malad West Mumbai City, Maharashtra 400064.

Folio No.:

Name of Member Signature

Name of Proxy Signature
(If Any)

1. Only Member/ Proxy holder can attend the meeting.
2. Member/ Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

Advanced Technology... Wide Range...



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LIMITED[®]

Mfgs. Of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,

Malad (West), Mumbai - 400 064, Maharashtra, India.

Tel. No.: +91-22-2882 2374, 2882 0328 • Mob.: +91 9987218333

Email: royalarc@royalarc.in • Website: www.royal-welding.com



DIRECTORS' REPORT

To,
The Members,
ROYALARC ELECTRODES LIMITED
72 B, Bombay Talkies Compound,
S.V. Road Malad West
Mumbai City
Maharashtra - 400064

Your Directors have pleasure in presenting the Annual Report, together with the audited financial statements for the financial year ended on 31st March, 2020.

1) FINANCIAL RESULTS:

The following are the financial results of the Company for the year ended on 31st March, 2020.

Amount in Rupees

Particulars	Year ended on 31 st March, 2020	Year ended on 31 st March, 2019
Income from Business Operations (Less Excise)	64,56,23,572	75,78,74,900
Other Income	1,25,74,022	13,29,441
Profit / Loss before Tax	1,55,83,235	1,76,91,064
Less:- Tax Expense	36,66,699	51,17,080
Net Profit for the year carried to Balance Sheet	1,19,16,536	1,25,73,984

2) PERFORMANCE OVERVIEW.

The Company is carrying its activities in manufacturing of Welding Electrodes, CO2 wire, Tig wire, Flux core wire and Grinding Wheels. The sales of the Company increased to Rs. 64,56,23,572/- from Rs. 75,78,74,900/- during the period under review. Further, the other income accounted to Rs. 1,25,74,022/- for the year under review as compared to that of Rs. 13,29,441/- during the previous year. The net profit of the Company accounted to Rs. 1,19,16,536/- as compared to that of Rs. 1,25,73,984/- during the previous financial year. Your Company is committed to steady and sustainable growth of the Company and in spite of changes in tax structures and certain migrations due to change in policies by the current government your Company has strived to maintain the growth momentum.

Advanced Technology... Wide Range...

3) DIVIDEND:

Your directors have not recommended any dividend during the year with a view to conserve the resources of the Company for various expansion plans.

4) DEPOSITS:

During the year under report, your Company has not accepted any fixed deposits from the public which attract the provisions of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

5) TRANSFER TO RESERVE:

No amount is proposed to transfer to General Reserve Account of the Company.

6) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 134(3)(c) of the Companies Act, 2013, the Directors confirms that:

- a. In the preparation of the annual accounts for the year end at that date, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a 'going concern' basis; and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING/OUTGO:

(A) Conservation of energy	
(i) the steps taken or impact on conservation of energy	The Company continues efforts with regard to energy conservation and management
(ii) the steps taken by the company for utilizing	

alternate sources of energy	through improved manufacturing technologies and rationalization.
(iii) the capital investment on energy conservation equipments	
(B) Technology absorption	
(i) the efforts made towards technology absorption	The Company has not imported any technology during the year.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) the expenditure incurred on Research and Development	
(C) Foreign exchange earnings and Outgo	
The Foreign Exchange earned in terms of actual inflows during the year and	1. Total Foreign Exchange Earnings (Value of Exports)
The Foreign Exchange outgo during the year in terms of actual outflows	2. Total Foreign Exchange outgo (Value of Import) Rs. 2,06,48,809/-

8) INFORMATION OF EMPLOYEES:

No Employee was drawing salary in excess of limit prescribed under Section 134 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, during the year or part of the year under review.

9) NUMBER OF MEETINGS OF BOARD:

During the Financial Year under review, the Board of Directors duly met Seven (7) times on 01st April, 2019, 22nd May, 2019, 20th August, 2019, 25th September, 2019, 09th December, 2019, 15th January, 2020 and 21st March, 2020 to transact various agendas from time to time:

The Board of Directors confirms the compliance of the requirements of the Secretarial Standard issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs. Intimation of the Board Meeting and committee meeting are given well in advance and communicated to all the Directors. The notices of all the Board Meetings were sent in advance to all the Directors. The Prescribed quorum was present for all the Meetings.

10) SIGNIFICANT MATERIAL ORDER PASSED BY THE REGULATIONS:

There were no significant material orders passed by the regulators or courts or Tribunals impacting the going concern status of the Company and its operations in future.

11) BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of your Company has wide and varied experience in different disciplines of corporate functioning. At present, the Company is having in total four Whole Time Directors and one Managing Director as the Key Managerial Personnel on the Board of Directors of the Company. The Company is not required to appoint Company Secretary, Chief Financial Officer or Chief Executive Officer as per the requirement of the provisions of Section 203 of the Companies Act, 2013.

The office of Mrs. Savita Chandrahas Shetty & Mr. Swagat Bipin Sanghvi shall be liable to retire by rotation at the ensuing Annual General Meeting, and being eligible offers themselves for re-appointment. The Board of Directors recommends their reappointment at the ensuing Annual General Meeting.

12) EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual return in form MGT- 9 is annexed herewith as Annexure- A to this report.

13) MATERIAL CHANGES AND COMMITMENTS:

During the year there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the

Company to which the financial statements relate and the date of the Board of Director's report.

14) AUDITORS AND AUDITORS' REPORT:

M/s. Ganesh Associates, Chartered Accountant (Membership No. 034260), Mumbai, was appointed as Statutory Auditors of the Company in the Annual General Meeting held in the calendar year 2015 for a period of 5 years to hold the office till the conclusion of Annual General Meeting to be held in the calendar year 2020, subject to ratification of the appointment as every subsequent Annual General Meeting. The term of statutory auditors expires at the ensuing Annual General Meeting and thus was necessary to appoint new statutory auditors or re-appoint existing auditors, if they are eligible for appointment.

The board of directors at their meeting held on 30th December, 2020, decided and proposed appointment of M/s. BAGADIYA & JAIN., Chartered Accountant, Ahmedabad, (Firm Registration No.: 128719W), subject to consent of members of the company at the Annual General Meeting, as statutory auditors of the company for a period of 5 (Five) years to hold the office as statutory auditors of the company from the conclusion of ensuing Annual General Meeting to be held in the year 2020 till the annual general meeting to be held in the calendar year 2025, at such remuneration as may be decided between the board and auditors. Necessary resolutions for their appointment have been included in the notice calling the Annual General Meeting.

The Board has duly reviewed the Statutory Auditor's Report on the Accounts. The observations comments and notes of Auditor are self explanatory and do not call for any further explanation/clarification.

15) DETAILS REGARDING SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES:

During the year, it has been reviewed that, there has been no Company which became or ceased to be Company's Subsidiary, Joint Ventures or Associate Companies and hence Form AOC-1 is not applicable to the Company.

16) PERFORMANCE AND FINANCIAL POSITION OF ASSOCIATE, JOINT VENTURE OR SUBSIDIARY COMPANIES:

The Company does not have any Associate or Joint Venture or Subsidiary Companies; hence disclosure requirement with respect to performance and financial position of such Associate or Joint Venture or Subsidiary Company is not applicable during the year under review.

17) REASONS FOR REVISION OF FINANCIAL STATEMENT OR REPORT:

During the year, the financial statements or report was not revised. Hence disclosure requirement is not applicable.

18) INDEPENDENT DIRECTOR:

Our Company is not covered under class of Company as prescribed under Section 149(3) of the Companies Act, 2013 read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, hence, no disclosures required under sections 134(3)(d), Section 149(6) and 149(10) of the Companies Act, 2013.

19) DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company is well equipped with adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organization to maintain the same standards of the control systems and help them in managing defaults, if any, on timely basis because of strong reporting mechanisms followed by the Company.

20) FORMAL EVALUATION BY BOARD OF ITS OWN PERFORMANCE:

Being an unlisted Company or having a paid up capital of less than Rs. 25 Crores, the Statement in respect of Formal Evaluation by the Board of its own performance and that of its committees and individual directors are not applicable to the Company.

21) ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS / SWEAT EQUITY SHARES / EMPLOYEE STOCK OPTION SCHEME:

During the year under review, the Company has not issued any equity shares with differential voting rights or sweat equity shares or employee stock option scheme. Hence disclosure regarding the same is not required to be given.

22) VIGIL MECHANISM:

As the Company is neither listed Company nor falling under criteria laid down under rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, hence the vigil mechanism is not applicable to the Company during the financial year under review.

23) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

There was no case reported under the Act during the financial year under review.

24) CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company is not covered under class of Companies as specified under Section 135 of the Companies Act, 2013, hence, reporting requirement pertaining to CSR Committee and CSR is not applicable to our Company during the year under review under section Sec 134(3)(o) read with Rule 9 of Companies (Accounts) Rules, 2014 and Section 135 of the Companies Act, 2013.

25) ANALYSIS OF REMUNERATION:

The Company is not listed on any recognized stock exchange; hence disclosure regarding the ratio of the remuneration of each Director to the median employee's remuneration and other details are not applicable to the Company. However, the details of remuneration of Key Managerial Personnel are disclosed in Form MGT-9 which forms part of Director's Report.

26) POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION:

Requirement of Nomination and Remuneration Committee is not applicable to the Company; however, the Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

27) RISK MANAGEMENT POLICY:

As per the applicable requirements of the Companies Act, 2013 a risk management policy/plan of the Company is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

28) CORPORATE GOVERNANCE:

Our Company is unlisted entity, hence the requirement of Corporate Governance is not applicable to our Company during the financial year under review.

29) PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

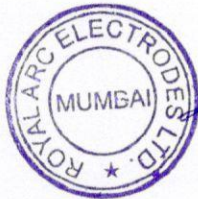
No Loans, Investments or Guarantees made by the Company pursuant to provisions of section 186 of the Companies Act, 2013, during the year under review.

30) RELATED PARTY TRANSACTION:

All the related party transactions entered by the Company were on arms-length base, in ordinary course of business and non-material in nature; hence disclosure required in Form AOC-2 is not applicable to our Company for the financial year under review.

31) ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from the shareholders, financial institutions, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment by all officers and staff for their continued support during the year.



For M/s. Royalarc Electrodes Limited

[Signature]
Mr. Bipin Sanghvi
Managing Director
DIN: 00462839

[Signature]
Mr. Kishore Shetty
Whole Time Director
DIN: 00462833

Place: Mumbai

Date: 30th December, 2020

Encl: As above



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LIMITED[®]

Mfgs. Of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,

Malad (West), Mumbai - 400 064, Maharashtra, India.

Tel. No.: +91-22-2882 2374, 2882 0328 • Mob.: +91 9987218333

Email: royalarc@royalarc.in • Website: www.royal-welding.com



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON WEDNESDAY, THE 30TH DAY OF DECEMBER, 2020 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 72 B, BOMBAY TALKIES COMPOUND, S.V. ROAD, MALAD WEST MUMBAI CITY, MAHARASHTRA - 400064 IN AT 10.00 A.M.

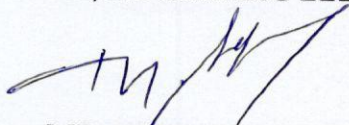
CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS:

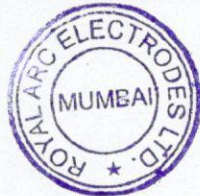
"RESOLVED THAT pursuant to applicable provisions of Companies Act, 2013 and rules made there under, the audited financial statements of the Company for the financial year ended on 31st March, 2020, Balance Sheet, Statement of Profit & Loss and Cash Flow Statement as at that date together with notes forming part of the financial statement, including report of the auditor's thereon, are hereby considered, confirmed and approved by the Board of Directors of the Company."

"FURTHER RESOLVED THAT Mr. Bipin Sanghvi (DIN: 00462839) and Mr. Kishore Shetty (DIN: 00462833), Directors of the Company be and are hereby authorized to sign the Financial Statements for and on behalf of the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the necessary acts, deeds, actions or things to give effect to aforesaid resolution, including but not limited to e-filing of resolution with the Registrar of Companies, Gujarat (MCA21 Portal) pursuant to applicable provisions of the Companies Act, 2013 and rules made there under."

CERTIFIED TO BE TRUE
For, ROYALARC ELECTRODES LIMITED


MR. BIPIN SANGHVI
MANAGING DIRECTOR
(DIN: 00462839)



Advanced Technology... Wide Range...



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LIMITED[®]

Mfgs. Of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Tel. No.: +91-22-2882 2374, 2882 0328 • Mob.: +91 9987218333
Email: royalarc@royalarc.in • Website: www.royal-welding.com



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON WEDNESDAY, THE 30TH DAY OF DECEMBER, 2020 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 72 B, BOMBAY TALKIES COMPOUND, S.V. ROAD, MALAD WEST MUMBAI CITY, MAHARASHTRA - 400064 IN AT 10.00 A.M.

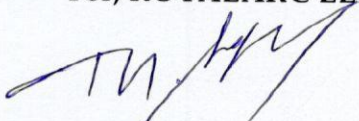
CONSIDERATION AND APPROVAL OF DRAFT DIRECTOR'S REPORT:

"RESOLVED THAT pursuant to applicable provisions of Companies Act, 2013 and rules made there under, the draft director's report of the Company along with its annexures for the financial year ended on 31st March, 2020, as placed before the board, be and is hereby considered and approved by the Board of Directors of the Company."

"FURTHER RESOLVED THAT Mr. Bipin Sanghvi (DIN: 00462839) and Mr. Kishore Shetty (DIN: 00462833), Directors of the Company be and is hereby authorized to sign the Board report for and on behalf of the Board of Directors of the Company."

"RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all the necessary acts, deeds, actions or things to give effect to aforesaid resolution, including but not limited to e-filing of resolution with the Registrar of Companies, Gujarat (MCA21 Portal) pursuant to applicable provisions of the Companies Act, 2013 and rules made there under."

CERTIFIED TO BE TRUE
For, ROYALARC ELECTRODES LIMITED


MR. BIPIN SANGHVI
MANAGING DIRECTOR
(DIN: 00462839)



Advanced Technology... Wide Range...



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LIMITED®

Mfgs. Of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,

Malad (West), Mumbai - 400 064, Maharashtra, India.

Tel. No.: +91-22-2882 2374, 2882 0328 • Mob.: +91 9987218333

Email: royalarc@royalarc.in • Website: www.royal-welding.com



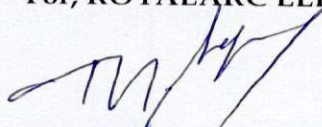
CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON THURSDAY, THE 31ST DAY OF DECEMBER, 2020 AT 10:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 72 B, BOMBAY TALKIES COMPOUND, S.V. ROAD, MALAD WEST MUMBAI CITY, MAHARASHTRA 400064

APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY:

"RESOLVED THAT pursuant to the provision of Section 139 of Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force), M/s. BAGADIYA & JAIN., Chartered Accountant, Ahmedabad, (Firm Registration No.: 128719W) be and is hereby Appointed as statutory auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of Annual General Meeting (AGM) to be held in the year 2025, at such a remuneration as may be fixed by the Board of Directors of the Company in consultation with statutory auditors of the Company."

"FURTHER RESOLVED THAT any one Director of the Company, be and is, hereby authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with concerned Registrar of Companies."

CERTIFIED TO BE TRUE
For, ROYALARC ELECTRODES LIMITED


MR. BIPIN SANGHVI
MANAGING DIRECTOR
(DIN:00462839)



Advanced Technology... Wide Range...



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LIMITED®

Mfgs. Of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,

Malad (West), Mumbai - 400 064, Maharashtra, India.

Tel. No.: +91-22-2882 2374, 2882 0328 • Mob.: +91 9987218333

Email: royalarc@royalarc.in • Website: www.royal-welding.com



INTIMATION LETTER TO AUDITOR

Date: 01/01/2021

To,
M/s. BAGADIYA & JAIN.,
908, Aditya Building, Nr. Gruh Finance,
B/h. Sardar Patel Seva Samaj,
Off C. G. Road, Navrangpura,
Ahmedabad- 380006

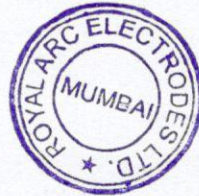
Dear Sir,

Subject: Appointment as Statutory Auditor of the Company for a period of 5 (Five) years.

With reference to the captioned subject, we are pleased to inform you that the Members of the Company in Annual General Meeting held on Thursday, the 31st day of December, 2020 at the Registered Office of the Company, has appointed your Firm M/s. BAGADIYA & JAIN., Chartered Accountant, Ahmedabad, (Firm Registration No.: 128719W), as the Statutory Auditors of the Company, to hold the office as statutory auditors for a period of 5 years from the conclusion of this Annual General Meeting held in year 2020 till the conclusion of the Annual General Meeting to be held in the calendar year 2025, on remuneration as may be decided between the board and auditors.

Thanking You,
FOR, M/S. ROYALARC ELECTRODES LIMITED

MR. BIPIN SHANTILAL SANGHVI
DIN: 00462839
DIRECTOR



Advanced Technology... Wide Range...

Independent Auditor's Report

To the Members of Royal Arc Electrodes Limited

Report on the Financial Statements.

We have audited the accompanying financial statements of **Royal Arc Electrodes Limited**, which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements gives the information as required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 its profit, and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility along with those charged with governance for the Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the underlying financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve



collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Emphasis of Matter

We draw attention to Note 26 to the financial statements, the company has not ascertained and provided for gratuity liability in accordance with Accounting Standard 15 - Accounting for retirement benefits. Our opinion is modified in respect of this matter.



Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by Central Government of India in terms of section 143 (11) of the Companies Act, 2013("the Act"), we give in the **Annexure-A** hereto a statement on the matters specified in Paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with Accounting Standards notified under the Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in **Annexure- B** and
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I) The company is not having any pending litigation cases going on and hence the Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2020;
 - II) The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts;



- III) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

PLACE: - Mumbai
DATE: - 30.12.2020



For, Ganesh Associates
Chartered Accountant
FRN: 103056W

A handwritten signature in blue ink, appearing to read "G. A. Shetty".

Ganesh A. Shetty
Proprietor
M. No. 034260
UDIN: 21034260AAAABI4803

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260

FRN - 103056 W

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. a) The Company has maintained proper records of fixed assets showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with such program, certain fixed assets were physically verified by management during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations gives to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of company.
2. a) As explained to us, the management at reasonable intervals during the year has physically verified the stocks of inventories. As explained to us, there was no material discrepancies were noticed on physical verification of the inventories. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its business.
3. The company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register-maintained u/s. 189 of the Companies Act, 2013. So, opinion regarding terms and conditions of grant of such loans, schedule of repayment of principal and payment of interest, rate of interest and other conditions would not apply.
4. In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the acts, with respect to the loans and investments made.
5. In our opinion, and according to the information and explanations given to us during the course of audit, the company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. According to the information and explanation given to us, the Central Government has not prescribed for maintenance of cost records u/s 148(1) of the Companies Act, 2003 for any of the products of the company.
7. **In respect of statutory dues:**
As informed to us, according to the records of the company there is no undisputed statutory dues including provident fund, employees state insurance, Investor education and protection fund, Income Tax, Goods & Service Tax, Custom duty,



FBT, and other material statutory dues have been generally regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.

Details of disputed dues which have not been deposited as on March 31, 2020 on Account of disputes are given below:

Sr. No.	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
1	Maharashtra Sales Tax	VAT	1,30,24,824/-	FY 2004-05	Maharashtra Sales Tax Tribunal

8. Based on the examination of the books of accounts and related records and according to the information and explanation provided to us, the company has not defaulted in repayment of dues to the bank and financial institutions during the year.
9. The Company has not raised moneys by way of initial public offer, further public offer (including debt instruments).
10. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of the section 197 read with schedule V to the act.
12. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanation given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examinations of the records of the company, the company has not made preferential allotment of equity shares.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

PLACE: - Mumbai
DATE: - 30.12.2020



For, Ganesh Associates
Chartered Accountant
FRN: 103056W

A handwritten signature in blue ink, appearing to read "G. A. Shetty".

Ganesh A. Shetty
Proprietor
M. No. 034260
UDIN: 21034260AAAABI4803

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260
FRN - 103056 W

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in Point-(f) paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of Royal Arc Electrodes Limited ('the Company') as of 31 March, 2020.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: - Mumbai

DATE: - 30.12.2020

For, Ganesh Associates

Chartered Accountants

FRN: 103056W



A handwritten signature in blue ink, appearing to read "G. A. Shetty".

Ganesh A. Shetty

Proprietor

M. No. 034260

UDIN: 21034260AAAABI4803

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260

ROYALARC ELECTRODES LIMITED

Balance Sheet as at 31st March, 2020

(Amount in ₹)

Particulars	Note No.	As At March 31, 2020	As At March 31, 2019
A Equity and Liabilities			
1 Shareholders' funds			
(a) Share capital	2	1,82,00,000	1,82,00,000
(b) Reserves and surplus	3	15,47,41,739	14,28,25,203
		17,29,41,739	16,10,25,203
2 Non-current liabilities			
(a) Long-term borrowing	4	4,04,36,515	8,24,77,453
(b) Deferred tax liabilities (net)		1,25,35,605	1,35,99,807
(c) Other Long term liabilities	5	68,20,229	67,31,237
		5,97,92,348	10,28,08,497
3 Current liabilities			
(a) Short-term borrowings	6	7,68,45,171	10,34,17,694
(b) Trade payables	7	7,20,07,766	12,53,84,577
(c) Other current liabilities	8	1,12,98,236	2,54,72,762
(d) Short-term provisions	9	8,85,735	12,19,816
		16,10,36,908	25,54,94,848
Total		39,37,70,995	51,93,28,548
B Assets			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10A	14,81,51,751	16,35,40,748
		14,81,51,751	16,35,40,748
(b) Non Current Investments	11	2,03,230	2,03,230
(c) Long-term loans and advances	12	63,51,304	55,62,007
(d) Other Non Current Assets	13	-	77,37,088
		15,47,06,285	17,70,43,072
2 Current assets			
(a) Inventories	14	10,90,48,788	14,87,90,636
(b) Trade receivables	15	10,81,21,077	14,08,82,603
(c) Cash and cash equivalents	16	73,19,936	2,44,97,916
(d) Short-term loans and advances	17	1,41,90,905	2,76,45,916
(e) Other current assets	18	3,84,003	4,68,405
		23,90,64,711	34,22,85,476
Total		39,37,70,995	51,93,28,548

Significant accounting policies & Notes on Financial Statement

1 to 43

As per our report of even date

For Ganesh Associates

Chartered Accountants

FRN : 103056W

For and on behalf of the Board of Directors

ROYALARC ELECTRODES LIMITED

(G. A. SHETTY)
CHARTERED ACCOUNTANT

M. No. 34260

FRN - 103056 W

Ganesh A. Shetty

Proprietor

M.No. : 034260

UDIN : 21034260AAAABI4803

Bipin Sanghvi

Director

DIN No. 00462839

Kishore Shetty

Director

DIN No. 00462833

Place: Mumbai



Place: Mumbai



ROYALARC ELECTRODES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in ₹)

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
1 Revenue from operations	19	64,56,23,572	75,78,74,900
2 Other Income	20	1,25,74,022	13,29,441
3 Total Revenue (1+2)		65,81,97,595	75,92,04,341
4 Expenses:			
(a) Cost of Material Consumed	21	46,44,96,674	55,84,01,776
(b) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	1,20,56,377	31,98,469
(c) Employee benefits expense	23	5,41,89,899	5,78,35,850
(d) Finance Cost	24	1,48,74,851	1,71,27,558
(e) Depreciation and amortization expense	25	1,70,07,095	1,76,94,573
(f) Other Expenses	26	7,99,89,464	8,72,55,050
Total Expenses		64,26,14,359	74,15,13,277
5 Profit / (Loss) Before Tax (3-4)		1,55,83,235	1,76,91,064
6 Tax expense:			
(a) Current tax expense for current year		47,30,901	52,66,232
(b) Prior period tax expense		-	9,543
(c) Deferred tax		(10,64,202)	(1,58,695)
7 Profit (Loss) For The Year (5-6)		1,19,16,536	1,25,73,984
8.i Earnings per share (Equity Share par value INR 10 each) Basic & Diluted:		6.55	6.91

Significant accounting policies & Notes on Financial Statement

1 to 43

As per our report of even date

For Ganesh Associates

Chartered Accountants

FRN : 103056W

[Signature]

Ganesh A. Shetty

Proprietor

M.No. : 034260

UDIN : 21034260AAAABI4803

Place: Mumbai

Date : 30.12.2020

**For and on behalf of the Board of Directors
ROYALARC ELECTRODES LIMITED**

[Signature]

Bipin Sanghvi

Director

DIN No. 00462839



Place: Mumbai

Date : 30.12.2020

[Signature]

Kishore Shetty

Director

DIN No. 00462833

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260

FRN - 103056 W



ROYAL ARC ELECTRODES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(Amount in ₹)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
[A] CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	1,55,83,235	1,76,91,064
Add: Non-cash and Non-operating Expenses		
Depreciation / Amortisation	1,70,07,095	1,76,94,573
Finance Cost	1,48,74,851	1,71,27,558
Loss on sale of shares/Fixed Asset	-	-
Less: Non-operating Income		
Interest Rec.	(4,77,918)	(7,01,182)
Profit on sale of Fixed Assets	(1,07,495)	(1,97,843)
Dividend Income	(12,000)	(12,000)
Cash flow from operations before working capital changes	4,68,67,768	5,16,02,170
Add/(Less): Changes in Working Capital		
Trade Payables	(5,33,76,811)	2,20,47,917
Inventories	3,97,41,848	(1,11,64,058)
Trade receivables	3,27,61,526	(47,28,637)
Other current liabilities	(1,41,74,526)	(20,96,789)
Short-term provisions	(38,19,003)	(40,46,410)
Other current assets	84,401	(2,76,907)
Short-term loans and advances	1,34,55,011	3,49,690
Cash flow from operations after working capital changes	6,15,40,214	5,16,86,976
Less: Direct Taxes Paid	(12,45,980)	5,14,907
Net Cash Flow from Operating Activities	6,02,94,234	5,22,01,883
[B] CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Tangible Assets	(20,50,597)	(28,82,530)
Other Non Current Assets	77,37,088	-
Long-term loans and advances	(7,89,297)	(14,37,659)
Dividend Income	12,000	12,000
Interest Rec.	4,77,918	7,01,182
Sale of Investment/Fixed Asset	5,39,994	5,69,369
Net Cash Flow from Investing Activities	59,27,106	(30,37,638)
[C] CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds towards issue of share capital	-	-
Finance Cost	(1,48,74,851)	(1,71,27,558)
Short-term borrowings	(2,65,72,523)	(2,42,52,483)
Other Long-term Liabilities	88,992	17,76,034
Increase / (Decrease) in Long term Loans	(4,20,40,938)	(2,38,38,616)
Net Cash Flow from Financing Activities	(8,33,99,321)	(6,34,42,623)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(1,71,77,980)	(1,42,78,378)
Opening Cash & Cash Equivalents	2,44,97,916	3,87,76,295
Closing Cash & Cash Equivalents	73,19,936	2,44,97,917



ROYAL ARC ELECTRODES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

Notes:

1 Cash and Cash equivalents comprise of:	25,21,817	17,15,038
Cash/Cheques on Hand		
Balance with Scheduled Banks	1,59,431	2,23,45,416
-in Current account	46,38,689	4,37,463
-in Deposit account	73,19,936	2,44,97,916
Closing Cash and Cash Equivalents		
2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3(AS)		
3 Previous year figures have been regrouped wherever necessary.		

As per our report of even date

For Ganesh Associates

Chartered Accountants

FRN : 103056W

Ganesh A. Shetty

Proprietor

M.No. : 034260

UDIN : 21034260AAAABI4803

Place: Mumbai

Date: 30.12.2020

For and on behalf of the Board of Directors
Royal Arc Electrodes Limited

Bipin Sanghvi

Director

DIN No. 00462839

Kishore Shetty

Director

DIN No. 00462833

Place: Mumbai

Date: 30.12.2020

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260
FRN - 103056 W



ROYALARC ELECTRODES LIMITED

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31-03-2020

NOTE 1

Significant Accounting Policies

1. Basis of Accounting :

The financial statements have been prepared in conformity with the generally accepted accounting principles to comply in all materials respects with the notified Accounting Standards (AS) under Companies Act, 2013 and the relevant provisions of the Companies Act 2013("the Act").The financial statements have been prepared under the historical cost convention, on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Use of Estimates :

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

3. Revenue Recognition :

- i. Domestic Sales are recognized on preparation of Invoice and dispatch of goods.
- ii. Export sales are recognized on the date of dispatch from the factory. Export sales include sales made through trade house.
- iii. Export incentives are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.
- iv. Other income is recognized only when its collection is reasonably certain.

4. Fixed Assets and Depreciation:

- i. All tangible & intangible fixed assets are stated at historical cost of acquisition or construction (less Cenvat credit received / receivable) including all incidental cost of acquisition, less accumulated depreciation / amortization.
- ii. Depreciation is provided under straight-line method so as to write-off the cost of the assets over its useful life as prescribed in Schedule II of the Companies Act, 2013.
- iii. Projects under commissioning and other Capital Work in Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- iv. Pre-operative Expenses including trial run expenses (net of revenue) are capitalized.



ROYALARC ELECTRODES LIMITED

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31-03-2020

5. Intangible Assets :

Expenditure on regulatory approval for Licenses for Sale of Goods in foreign countries is recognized as an intangible asset and the same is amortized over a period of five years.

Expenditure on software development is recognized as an intangible asset and same is amortized over a period of five years.

6. Investments :

Long Term Investments are carried at cost. Provision is made for any diminution in value of investments, if the diminution is other than temporary.

7. Inventory Valuation :

- i. Work in process is valued at cost on FIFO basis.
- ii. Finished goods are valued at lower of cost or net realizable value.

Cost of inventory comprise of cost of conversion and other cost incurred to bring the inventory to present location and condition.

8. Foreign Currency Transactions:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items in foreign currencies at the balance sheet date are translated at rates as at the balance sheet date. Any income or expense on account of exchange difference either on settlement or on translation is recognized in profit & loss account except in cases where they relate to acquisition of Fixed Assets, in which case they are adjusted to carrying cost of Fixed Assets.

9. Retirement Benefits

The company accounts for retirement benefits in compliance with the revised AS-15 as per following details:

a) Gratuity

Liability on account of gratuity, which is a defined benefit plan, is provided for on the basis of actuarial valuation carried out by an independent actuary as at the balance sheet date. The contribution towards gratuity liability is funded to an approved gratuity fund.

b) Provident fund

Contribution to provident fund, which is a defined contribution plan, is made as per the provisions of Provident Fund Act, 1952 and charged to revenue account.



ROYALARC ELECTRODES LIMITED

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31-03-2020

c) Leave Encashment

Encashment of leave is accrued in year of retirement of an employee. Hence, not provided on the basis of actuarial valuation.

10. Borrowing Cost :

Borrowing Costs, that are directly attributed to acquisition or construction of a qualifying asset i.e. asset acquired or constructed for expansion of capacity during the year are capitalized as pre operative expenditure to be ultimately capitalized as part of the cost of that Asset.

11. Impairment :

Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

12. Tax on Income :

Current Tax is the amount of tax payable for the year as determined in accordance with the provision of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between taxable profit and book profit using tax rates enacted or substantively enacted as at the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

13. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

14. Government Grants / Subsidy

Government Grants / Subsidy related to specific fixed assets are disclosed as a deduction from the value of the concerned assets. Grants / subsidy related to revenue are credited to the Profit & Loss Account on receipt basis. Grant / Subsidy in nature of promoters contribution are treated as Capital Reserve.



ROYALARC ELECTRODES LIMITED

Notes forming part of the financial statements

(Amount in ₹)

Note 2

Share Capital

	As At March 31, 2020		As At March 31, 2019	
	Number Of Shares	INR	Number Of Shares	INR
Equity Share Capital				
Authorised				
Equity Shares of INR 10/- each, with voting rights	20,00,000	2,00,00,000	20,00,000	2,00,00,000
	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued, Subscribed and Fully Paid-Up				
Equity Shares of INR 10/- each, with voting rights	18,20,000	1,82,00,000	18,20,000	1,82,00,000
	18,20,000	1,82,00,000	18,20,000	1,82,00,000

Refer Notes (a) to (c) below

Notes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Buy back	Bonus issue	Closing Balance
Equity shares with voting rights					
Year ended March 31, 2020					
- Number of shares	18,20,000	-	-	-	18,20,000
- Amount (INR 10/- Each)	1,82,00,000	-	-	-	1,82,00,000
Year ended March 31, 2019					
- Number of shares	18,20,000	-	-	-	18,20,000
- Amount (INR 10/- Each)	1,82,00,000	-	-	-	1,82,00,000

(b) Details of rights, preferences and restrictions attached to the shares issued:

The liability of the member is limited.

Right to dividend, Bonus on paripassu basis.

In the event of winding up after the creditors paid up whatever the remaining amount will be paid to equity share holders.

Right to receive notice of any general meeting and exercise the vote either by pole or on showof hands.

Right to receive the annual report of the company every year.

(c) Details of shares held by each share holder holding more than 5% Shares:

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares with voting rights				
BIPIN SANGHVI	1,74,700	9.60%	1,74,700	9.60%
KISHOR SHETTY	4,95,100	27.20%	4,95,100	27.20%
SAVITA SHETTY	2,72,000	14.95%	2,72,000	14.95%
HARDIK SANGHVI	2,25,000	12.36%	2,25,000	12.36%
AMI H. SANGHVI	1,20,000	6.59%	1,20,000	6.59%
SWAGAT SANGHVI	3,43,000	18.85%	3,43,000	18.85%
USHA K. SHETTY	1,30,000	7.14%	1,30,000	7.14%



ROYALARC ELECTRODES LIMITED**Notes forming part of the financial statements**

(Amount in ₹)

	As At March 31, 2020	As At March 31, 2019
Note 3		
Reserves and Surplus		
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	14,28,25,203	13,02,51,219
Add: Profit/(Loss) for the year	1,19,16,536	1,25,73,984
Total	15,47,41,739	14,28,25,203
Note 4		
Long - term borrowings		
Term loans		
Secured		
- From banks #	27,097	69,59,296
Unsecured		
- From Related Party (Directors)	4,04,09,418	7,55,18,156
Total	4,04,36,515	8,24,77,453
Note 5		
Other Long - term liabilities		
Deposit from Customers & Others	68,20,229	67,31,237
Total	68,20,229	67,31,237
Note 6		
Short- term borrowings		
Secured		
- From banks #	7,68,45,171	10,34,17,694
Total	7,68,45,171	10,34,17,694

Term loan from bank carry Interest at floating Rates of 9 to 10.5%. Term Loan-1 is repayable in 5 year in monthly installment and Term Loan-2 is repayable in 48 EMIs. The above bank loan is secured Hypothecation of Land & Building plant situated at plot No.-6, opp. Sheela Foam S No. 91/P4, Village Zaroli, T- Umargav, Dist. Valsad. Other Vehicle loans are secured against hiphothication of vehicles. Working capital facilitie carry floting interest rate of 10.85% to 12% and are secured by way of pari-pasu charge on industrial property located at servay no.49 hissa no.3-4, Vasai, Thane and commercial property situated at Mumbai. Further both the term loans and working capital facilities are further secured by personal guarantees of all the directors. The repayment of all the term loan and vehicle loan is regular.

ROYALARC ELECTRODES LIMITED

Notes forming part of the financial statements

(Amount in ₹)

	As At March 31, 2020	As At March 31, 2019
Note 7		
Trade Payables		
Acceptances	7,20,07,766	12,53,84,577
Total	7,20,07,766	12,53,84,577
Note 8		
Other Current Liabilities		
Deposit from Customer & Others	1,73,544	2,09,822
Current Maturities of Long Term Loan	47,57,795	1,77,80,668
Statutory remittances	10,28,925	17,16,702
Other expenses payable	53,37,972	57,65,570
Total	1,12,98,236	2,54,72,762
Note 9		
Short Term Provisions		
Provision for Income Tax (Net off Advance Tax & T.D.S.)	8,85,735	12,19,816
Total	8,85,735	12,19,816



(Amount in ₹)

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	Balance as on 1st April, 2019	Additions during the year	Deletions/Transfer during the year	Balance as on 31st March, 2020	Balance as on 1st April, 2019	Depreciation charge for the year	Elimination On Disposal Of Assets	Balance as on 31st March, 2020	Balance as on 31st March, 2019
Tangible Assets									
Plant & Machinery	14,27,43,483	17,67,013	-	14,45,10,496	5,41,54,131	97,58,587	-	8,05,97,778	8,85,89,352
Computers & Data Processing Units	23,62,620	59,437	-	24,22,057	23,23,751	40,852	-	57,454	38,869
Electrical Installations & Equipment	1,77,92,812	-	-	1,77,92,812	1,34,53,942	8,47,844	-	34,91,026	43,38,870
Tools	1,46,98,221	-	-	1,46,98,221	1,05,18,372	9,54,263	-	32,25,585	41,79,849
Lab Equipment	89,55,280	-	-	89,55,280	66,73,854	7,41,573	-	15,39,853	22,81,426
Office Equipment	84,71,669	2,24,147	-	86,95,816	78,89,592	3,33,666	-	4,72,558	5,82,077
Furniture & Fittings	36,39,767	-	-	36,39,767	25,29,705	2,15,001	-	8,95,061	11,10,062
Motor Vehicles	91,40,019	-	15,05,475	76,34,544	41,58,503	8,32,785	10,72,976	37,16,232	49,81,516
Building	6,56,19,984	-	-	6,56,19,984	1,45,41,907	32,82,524	-	4,77,95,553	5,10,78,077
Land	63,60,650	-	-	63,60,650	-	-	-	63,60,650	63,60,650
Total	27,97,84,505	20,50,597	15,05,475	28,03,29,627	11,62,43,757	1,70,07,095	10,72,976	14,81,51,751	16,35,40,748
Previous Year	27,82,19,812	28,82,530	13,17,837	27,97,84,505	9,94,95,495	1,76,94,573	9,46,311	16,35,40,748	17,87,24,317
B. Capital Work in Progress									
Plant & Machinery Bhulad	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-
Grand Total	27,97,84,505	20,50,597	15,05,475	28,03,29,627	11,62,43,757	1,70,07,095	10,72,976	14,81,51,751	16,35,40,748
Grand Total (Previous Year)	27,82,19,812	28,82,530	13,17,837	27,97,84,505	9,94,95,495	1,76,94,573	9,46,311	16,35,40,748	17,87,24,317



ROYALARC ELECTRODES LIMITED

Notes forming part of the financial statements

(Amount in ₹)

	As At March 31, 2020	As At March 31, 2019
Note 11		
Non Current Investments		
Other Investment (Unquoted)		
4000 Equity Shares of Rs.25 each of SVC Co. Op. Bank	1,00,000	1,00,000
10323 Equity Shares of Rs.10 each of BMC Co. Op. Bank	1,03,230	1,03,230
Total	2,03,230	2,03,230
Note 12		
Long Term Loans and Advances		
Security Deposits	62,07,721	47,37,914
Loans & Advances to others	1,43,583	8,24,093
Total	63,51,304	55,62,007
Note 13		
Other Non Current Assets		
Advances for Capital Assets	-	77,37,088
Total	-	77,37,088
Note 14		
Inventory		
Raw Material & Packing Material	4,84,56,164	7,61,41,635
Work in Progress	1,59,90,534	3,50,25,152
Finished Goods	4,46,02,090	3,76,23,849
Total	10,90,48,788	14,87,90,636
Note 15		
Trade Receivables		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	1,39,61,139	54,53,532
	<u>1,39,61,139</u>	<u>54,53,532</u>
(b) Other Trade receivables		
Unsecured, considered good	9,41,59,938	13,54,29,072
Total	10,81,21,077	14,08,82,603



ROYALARC ELECTRODES LIMITED**Notes forming part of the financial statements**

(Amount in ₹)

	As At March 31, 2020	As At March 31, 2019
Note 16		
Cash and cash equivalents		
Cash on hand	25,21,817	17,15,038
Balance with banks		
(a) Current accounts	1,59,431	2,23,45,416
(b) Deposit accounts (Bank FDR)	46,38,689	4,37,463
Total	73,19,936	2,44,97,916
Note 17		
Short-term loans and advances		
(a) Prepaid Expenses	9,34,704	6,68,849
(b) Balance with government authorities	76,23,574	2,69,39,026
(c) Other Loans, Advances & deposits	56,32,627	38,041
Total	1,41,90,905	2,76,45,916
Note 18		
Other Current Assets		
(a) Accruals		
Interest accrued	1,09,524	1,00,640
(b) Advances recoverable	2,74,480	3,67,765
Total	3,84,003	4,68,405



ROYALARC ELECTRODES LIMITED**Notes forming part of the financial statements**

(Amount in ₹)

	As At March 31, 2020	As At March 31, 2019
Note 19		
Revenue from Operations		
Sale of Products	64,01,54,775	75,00,94,771
Other Operating Income (Export Incentive)	64,01,54,775	75,00,94,771
	54,68,797	77,80,129
	64,56,23,572	75,78,74,900
Note 20		
Other Income		
Dividend Income	12,000	12,000
Interest Income	4,77,918	7,01,182
Profit on Sale of Fixed Assets	1,07,495	1,97,843
Foreign Exchange Fluctuation Gain	56,57,947	-
Insurance Claim Received	60,66,029	13,875
Misc. Income	2,52,634	4,04,541
Total	1,25,74,022	13,29,441



ROYALARC ELECTRODES LIMITED**Notes forming part of the financial statements**

(Amount in ₹)

	As At March 31, 2020	As At March 31, 2019
Note 21		
Cost of Material Consumed		
Opening Stock of Raw Material	7,61,41,635	6,17,79,107
Purchase of Raw Material	43,68,11,203	57,27,64,303
	51,29,52,838	63,45,43,410
Less : Closing Stock of Raw Material	4,84,56,164	7,61,41,635
Total	46,44,96,674	55,84,01,776
Note 22		
Changes in inventory of finished goods		
Inventory at the end of the year		
Finished goods	4,46,02,090	3,76,23,849
Work-In-Progress	1,59,90,534	3,50,25,152
Inventory at the beginning of the year		
Finished goods	3,76,23,849	5,23,71,409
Work-In-Progress	3,50,25,152	2,34,76,061
Total	(1,20,56,377)	(31,98,469)
Note 23		
Employee Benefits Expense		
Contribution to Provident Fund and other Welfare Funds	18,80,474	19,52,839
Directors' Remuneration	81,24,750	81,24,750
Salaries, Wages & Bonus	4,29,05,295	4,64,13,787
Staff Welfare Expenses	12,79,380	13,44,474
Total	5,41,89,899	5,78,35,850



ROYALARC ELECTRODES LIMITED**Notes forming part of the financial statements**

(Amount in ₹)

	As At March 31, 2020	As At March 31, 2019
Note 24		
Finance Cost		
Interest Expense	1,33,51,979	1,56,88,222
Bank Charges	15,03,047	13,21,918
Other Interest	19,825	1,17,418
Total	1,48,74,851	1,71,27,558
Note 25		
Depreciation and Amortisation		
Depreciation	1,70,07,095	1,76,94,573
Total	1,70,07,095	1,76,94,573
Note 26		
Other Expenses		
Direct Expenses		
Clearing-Forwarding Charges	27,31,738	57,64,473
Excise Duty	2,46,738	-
Labour Charges	14,08,004	1,95,255
Electricity Charges	1,44,73,823	1,46,79,854
Power & Fuel	23,24,514	31,31,035
Spares, Tools & Consumables	37,51,735	62,07,740
Transport Charges	1,35,75,733	1,76,45,846
	3,85,12,285	4,76,24,203



ROYALARC ELECTRODES LIMITED**Notes forming part of the financial statements**

(Amount in ₹)

	As At March 31, 2020	As At March 31, 2019
Operating & Other Expenses		
Advertisement	-	1,12,936
Approval, Testing Expenses & Inspection charges	19,74,075	29,41,108
Auditors Remuneration	5,392	-
Accounts W/off.	77,51,619	1,56,866
Commission	53,74,640	29,47,815
Computer Expenses	23,008	74,348
Conveyance Exp	1,17,260	1,27,345
Electricity expenses-Office	38,444	89,691
Exhibition Exps.	-	3,33,060
Insurance Charges	15,00,553	27,38,091
Internet Exps.	85,004	1,26,679
Hotel Expenses	2,44,534	4,51,580
Legal & Professional Fees	53,01,990	55,74,152
Membership & Subscription	5,26,784	1,26,800
Miscellaneous Expense	5,28,143	6,79,324
Prior Period Expenses (ESIC)	-	45,185
Postage & Telegram	3,39,155	5,24,380
Printing & Stationery	3,23,648	5,96,683
Rent, Rates & Taxes	37,28,818	42,89,132
Repairs & Maintenance	32,23,270	46,78,676
Donation	12,000	2,03,720
Sales Promotion Exps.	5,66,788	10,64,070
Security Charges	15,31,119	13,17,937
Sundry Office Expenses	1,52,342	4,29,310
Sundry Factory Expenses	13,97,550	10,24,069
Telephone Charges	1,94,537	2,34,402
Tours & Travelling	27,86,630	37,56,606
Loading Unloading Charges	1,92,782	2,91,006
Sales Tax Expenses	16,10,683	15,93,644
L.D. Charges	7,575	4,22,987
Loss on Sale of MEIS Licenses	1,45,859	94,788
Foreign Exchange Fluctuation Loss	-	4,74,369
Vehicle Expenses-Commercial	17,92,978	21,10,088
	4,14,77,179	3,96,30,847
Total	7,99,89,464	8,72,55,050



ROYALARC ELECTRODES LIMITED

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31-03-2020

27. Balance of Debtors, Creditors and Loans & Advances are subject to confirmation and hence subject to adjustments, if any, arising out of reconciliation.
28. Where external evidence in the form of cash memos, bill, stamped receipts etc. were not available the internal vouchers have been prepared by the company and authorized by authorized signatory.
29. Closing Stock has been taken, valued and certified by the Directors.
30. Management has initiated the process of identifying enterprises, which have provided goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) and circularized the letters for this purpose. But The company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosures relating to amount unpaid as at the end of the year together with interest payable as required under the said act has not been furnished and provision for interest, if any, on delayed payment is not ascertainable at this stage. However in the opinion of the management it would not be material.
31. In the opinion of the Board of Directors, Current Assets and Loans & Advances have a value on realization in the ordinary course of business equal to the amount at which they are stated in the balance sheet.
32. The company has provided Rs. 47,30,901/- as Provision for Current taxation.
33. The Management is of the opinion that as at the Balance Sheet date, there are no indications of a material impairment in the value of fixed assets. Hence, the need to provide for an impairment loss does not arise.
34. Contingent liabilities and commitments (to the Extent not provided for)

Particulars	As at March 31 st , 2020	As at March 31 st , 2019
Contingent liabilities on account of pending litigations	1,30,24,824	1,38,39,329
O/s Bank Guarantee	17,29,180	79,500
O/s Letter of Credit	1,09,39,715	37,60,385



ROYALARC ELECTRODES LIMITED

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31-03-2020

35. Deferred tax assets and deferred tax liabilities are arising on account of timing differences on account of:

Particulars	As at 31/03/2020 Amount in Rs.	As at 31/03/2019 Amount in Rs.
Deferred Tax Liabilities:		
Opening DTA/(DTL)	(1,35,99,807)	(1,37,58,502)
Differential Income Tax @22% (plus Surcharge 10% plus Cess 4%) on difference between WDV as per book and as per Income tax (current)	10,64,202	1,58,695
Allowance u/s 43B	---	---
Total	10,64,202	1,58,695
Deferred tax Assets / (Liabilities) (net)	(1,25,35,605)	(1,35,99,807)

36. **Earning per Equity Share:**

Basic and Diluted Earnings per Equity Share are recorded in accordance with Accounting Standard 20 'Earnings per Share'. Earnings per Share is calculated by dividing the profit attributable to the Equity Shareholders (after adjustment for deferred taxes) by the weighted average number of Equity Shares outstanding during the period. The numbers used in calculating Basic and Diluted Earnings per Equity Share are as stated below:

Particulars	For the year 2019-20	For the year 2018-19
Number of shares at the beginning of the year	18,20,000	18,20,000
Number of shares issued during the year	--	--
Number of shares outstanding at the end of the year	18,20,000	18,20,000
Weighted average number of shares outstanding during the year	18,20,000	18,20,000
Net profit after tax	1,19,16,536	1,25,73,984
Basic & Diluted Earnings	6.55	6.91

37. **Related Party Disclosures:**

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:



ROYALARC ELECTRODES LIMITED

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31-03-2020

A. Nature of Transactions:

Sr. No.	Nature of transactions	Key Management personnel	Relative of Key Management personnel	Enterprise under significant influence of Key Management Personnel
1	Remuneration/Salary (Including Bonus)	81,24,750	9,95,486	---
2	Loan taken	6,40,65,704	---	---
3	Loan Repaid	9,91,74,443	---	---
4	Loan Given	91,41,525		
5	Loan Received Back	91,41,525		
6	Interest Paid	11,51,643	---	---
7	Rent Paid	30,00,000	1,20,000	---
8	Sale of Products	---	---	1,42,78,921
Balance at the end of the year				
1	Unsecured Loan	3,52,14,653	---	

B. List of related parties with whom transactions have taken place and relationships:

i) Key Managerial Personnel :

1. Mr. Bipin S Sanghvi - Director
2. Mr. Kishor A. Shetty - Director
3. Mrs. Savita C. Shetty - Director
4. Mr. Hardik B. Sanghvi - Director
5. Mr. Swagat B. Sanghvi - Director

ii) Relative of Key Managerial Personnel :

1. Mrs. Usha Kishor Shetty
2. Mrs. Ami Hardik Sanghvi
3. Mrs. Pooja Swagat Sanghvi

iii) Enterprise under Significant Influence of Key Managerial Personnel :

Royal Arc Equipment Trading LLC

38. There were no employees in receipt of salaries of Rs.60,00,000/- p.a. or more or Rs.5,00,000/- p.m. or more if employed for a part of the year.



ROYALARC ELECTRODES LIMITED**NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31-03-2020**

39. The Profit and Loss Account includes:

(i) Remuneration to the Director:

	For the year 2019-20 Amount in Rs.	For the year 2018-19 Amount in Rs.
Remuneration (Including Bonus)	81,24,750	81,24,750

40. Details of actual production:

(Figures in Qty.)

Description	Op. Stock	Production/ Purchase	Sales	Closing Stock
Welding Electrodes(units)	24,80,652	5,19,60,186	4,91,03,203	28,56,983
Welding Electrodes (kg)	1,29,769	25,37,940	23,52,392	1,85,548
CO2 Wire	31,350	5,15,839	4,70,297	45,542
Tig Wire	-	36,030	36,030	--
Flux Cored wire	30,960	19,47,347	15,28,703	4,18,644
MS Scrap	--	1,01,185	1,01,185	--
Wooden Wastage	--	13,085	13,085	--
Electro Slag Welding	--	556	556	--
S.S.Scrap	--	1,465	1,465	--
Total	26,72,731	5,71,13,633	5,36,06,916	35,06,717

41. Consumption details of raw material:

Particulars	2019-20		2018-19	
	Value	%	Value	%
Imported	2,06,48,809	4.45%	4,51,80,803	8.09%
Indigenous	44,38,47,865	95.55%	51,32,20,973	91.91%



ROYALARC ELECTRODES LIMITED

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31-03-2020

42. The previous year figures have been accordingly regrouped / re-classified to conform to the current year's classification
43. The company had made advance payment of Rs 77,37,088 to the contractor party towards construction of factory building during the year 2014. However, the said contractor party could not perform the services. Moreover, the company has filed legal suit against the said party and also the party is not traceable at present. So, the management of the company has decided to write off the amount in the books of the company during the current financial year.

Signature to Notes 1 to 43
As Per Our Report of Even Date Attached

For, Ganesh Associates
Chartered Accountants
FRN No. 103056W



Ganesh A. Shetty
Proprietor
M. No. 034260
UDIN: 21034260AAAABI4803

Place: Mumbai
Date: 30.12.2020

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260

FRN - 103056 W



For, Royal Arc Electrodes Limited



Bipin S. Sanghvi
Director
DIN No. 00462839

Place: Mumbai
Date: 30.12.2020



Kishore A. Shetty
Director
DIN No. 00462833



INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT

[Where the data of the Return of Income in Form ITR-1 (SAHAJ), ITR-2, ITR-3,
ITR-4(SUGAM), ITR-5, ITR-6, ITR-7 filed and verified]
(Please see Rule 12 of the Income-tax Rules, 1962)

**Assessment Year
2020-21**

PAN	AAACR4146H		
Name	Royal Arc Electrodes Limited		
Address	72B, Bombay Talkies Compound, S V Road, Malad (West), MUMBAI, MAHARASHTRA, 400064		
Status	Plc Company	Form Number	ITR-6
Filed u/s	139(1)-On or before due date	e-Filing Acknowledgement Number	230626101280121

Taxable Income and Tax details			
	Current Year business loss, if any	1	0
	Total Income		18105810
	Book Profit under MAT, where applicable	2	0
	Adjusted Total Income under AMT, where applicable	3	0
	Net tax payable	4	4556861
	Interest and Fee Payable	5	174031
	Total tax, interest and Fee payable	6	4730892
	Taxes Paid	7	4730899
	(+)Tax Payable /(-)Refundable (6-7)	8	-10
Dividend Distribution Tax details			
	Dividend Tax Payable	9	0
	Interest Payable	10	0
	Total Dividend tax and interest payable	11	0
	Taxes Paid	12	0
	(+)Tax Payable /(-)Refundable (11-12)	13	0
Accreted Income & Tax Detail			
	Accreted Income as per section 115TD	14	0
	Additional Tax payable u/s 115TD	15	0
	Interest payable u/s 115TE	16	0
	Additional Tax and interest payable	17	0
	Tax and interest paid	18	0
	(+)Tax Payable /(-)Refundable (17-18)	19	0

Income Tax Return submitted electronically on 28-01-2021 18:17:11 from IP address 122.170.114.45 and verified by

BIPIN SHANTILAL SANGHVI

having PAN AAJPS1042B on 28-01-2021 18:17:11 from IP address 122.170.114.45 using

Digital Signature Certificate (DSC).

DSC details: 50094488CN=Capricorn CA 2014,2.5.4.51=#131647352c56494b41532044454550204255494c44494e47,STREET=18,LAXMI NAGAR DISTRICT CENTER,ST=DELHI,2.5.4.17=#1306313130303932,OU=Certifying Authority,O=Capricorn Identity Services Pvt Ltd.,C=IN

DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU

Royal Arc Electrodes Limited

PAN : AAACR4146H

Tax Audit Report

Audit Clause 44AB(a): Business Turnover exceeds 1 Crore

Financial Year	:	2019-2020
Assessment Year	:	2020-2021
Date of Audit Report	:	13/01/2021



Ganesh Associates
Ganesh A Shetty
Chartered Accountants

FORM NO. 3CA

[See rule 6G (1) (a)]

**Audit report under section 44AB of the Income - tax Act, 1961,
in a case where the accounts of the business or profession of a person
have been audited under any other law**

We report that the statutory audit of M/s. Royal Arc Electrodes Limited, 72B, Bombay Talkies Compound, S V Road, Malad (West), MUMBAI, MAHARASHTRA-400064, PAN - AAACR4146H was conducted by M/s. Ganesh Associates in pursuance of the provisions of the Companies Act 2013 Act, and We annex hereto a copy of their audit report dated 30th December, 2020 along with a copy of each of:-

(a) the audited Profit and loss account for the period beginning from 01 April 2019 to ending on 31 March 2020

(b) the audited balance sheet as at 31 March 2020 ; and

(c) documents declared by the said Act to be part of, or annexed to, the Profit and loss account and balance sheet.

2. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.
3. In our opinion and to the best of our information and according to examination of books of account including other relevant documents and explanations given to us, the particulars given in the said Form No. 3CD are true and correct subject to the following observations/qualifications, if any:

S.No	Qualification	Comments
1	All the information and explanations which to the best of my/our knowledge and belief were necessary for the purpose of my/our audit has not been provided by the assessee.	We have relied on the information provided by the assessee that all the expenditure has been incurred for business purpose.
2	Others	Clause 16(e)/21(a) of Form 3CD ; Capital/Revenue Receipts and / or Capital / Revenue Expenditure have been determined according to our interpretation of the accounting principles and relevant Court Judgements.
3	Others	Clause 21(a) ; No personal expenses of the director(s) / employees have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice based on the evidence with the assessee made available to us.
4	Others	Clause 21(b) / 34 ; Considering the nature, volume and complexity of the assessee transactions covered by the provisions of Chapter XVII-B regarding deduction of tax at source and payment thereof to the credit of Central Govt. during year, we have relied upon the details furnished in quarterly e-TDS returns filed by the assessee for the year and information & explanations given to us in connection with the compliance of the said provisions.
5	Others	Clause 21(d) (A) & (B) ; There are no cash payments in excess of Rs.10000 / Rs.35000 as applicable in terms of section 40A(3)/40A(3A) and Rule 6DD as certified by the assessee and verified from the evidence in possession of the assessee made available to us.
6	Others	Clause 22 ; Creditors under Micro, Small and Medium Enterprises Development Act, 2006 are not readily ascertainable. However, as per the books of account and information & explanation given to us, payments

		to all creditors are made within the time agreed upon.
7	Others	Clause 23 ; Payments to persons specified in Section 40A(2)(b) are accepted as certified by the assessee. Expenses, if any, reimbursed to such persons are not considered to have been covered by sec.40A(2)(b).
8	Others	Clause 31 ; There are no loans or deposits taken or accepted and/or repaid in excess of the limit prescribed in Sec.269SS and/or 269T respectively otherwise than by account payee cheques/bank drafts as certified by the assessee backed by our examination of books of account and relevant documents in possession of the assessee made available to us.
9	Amount of expense related to exempt income u/s 14A of Income-tax Act, 1961 could not be ascertained	In the opinion of the management, there is no such expenditure which has direct nexus with the exempt income. Auditors have relied on this representation of the assessee company.
10	Others	The particulars given in Form No. 3CD have been compiled and prepared by the assessee
11	Others	We have examined the books of account and records of the assessee on the basis of test checks and materiality as required to give the information in Form No. 3CD.
12	Records necessary to verify personal nature of expenses not maintained by the assessee.	We have relied on the information provided by the Assessee that all the expenditure has been incurred for business purpose.
13	Others	The Quantitative details of Opening stock, Consumption and closing stock of raw materials are not available.

Place : Mumbai
Date : 13/01/2021



Ganesh Associates
(Chartered Accountants)
Reg No. :0103056W

Ganesh A Shetty
Ganesh A Shetty
Proprietor

Membership No :034260

PAN : AALPS8049L

UDIN: 21034260AAAABJ9514

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260

FRN - 103056 W

FORM NO. 3CD

[See rule 6 G(2)]

Statement of particulars required to be furnished under section 44AB of the Income-tax Act, 1961

PART - A

1.	Name of the assessee	Royal Arc Electrodes Limited
2.	Address	72B, Bombay Talkies Compound, S V Road, Malad (West), MUMBAI, MAHARASHTRA-400064
3.	Permanent Account Number (PAN)	AAACR4146H
4.	Whether the assessee is liable to pay indirect tax like excise duty, service tax, sales tax, goods and service tax, customs duty, etc. if yes, please furnish the registration number or GST number or any other identification number allotted for the same	Yes Annexure No - 1
5.	Status	Public Limited
6.	Previous year	From 01/04/2019 To 31/03/2020
7.	Assessment year	2020-2021
8.	Indicate the relevant clause of section 44AB under which the audit has been conducted	Clause 44AB(a)
8a	Whether the assessee has opted for taxation under section 115BA/115BAA/115BAB	YES(115BAA)

PART - B

9. (a)	If firm or association of persons, indicate names of partners/members and their profit sharing ratios.	NA
9. (b)	If there is any change in the partners or members or in their profit sharing ratios since the last date of preceding year, the particulars of such change.	
10. (a)	Nature of business or profession (If more than one business or profession is carried on during the previous year, nature of every business or profession)	Annexure No. : 2
10. (b)	If there is any change in the nature of business or profession, the particulars of such change.	
11. (a)	Whether books of account are prescribed under section 44AA, if yes, list of books so prescribed.	Annexure No. : 3
11. (b)	List of books of account maintained and the address at which the books of accounts are kept. (In case books of account are maintained in a computer system, mention the books of account generated by such computer system. If the books of accounts are not kept at one location, please furnish the addresses of locations along with the details of books of accounts maintained at each location.)	
11. (c)	List of books of account and nature of relevant documents examined.	
12.	Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB, Chapter XII-G, First Schedule or any other relevant section.)	No
13. (a)	Method of accounting employed in the previous year.	Mercantile system



13. (b)	Whether there had been any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year.	No
13. (c)	If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.	
13. (d)	Whether any adjustment is required to be made to the profits or loss for complying with the provisions of income computation and disclosure standards notified under section 145(2)	No
13. (e)	if answer to (d) above is in the affirmative give details of such adjustments:	
13. (f)	Disclosure as per ICDS	Yes Annexure No. : 4
14. (a)	Method of valuation of closing stock employed in the previous year.	Cost or Net Realizable Value, Whichever is Lower.
14. (b)	In case of deviation from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss, please furnish	No
15.	Give the following particulars of the capital assets converted into stock in trade:-	No
15. (a)	Description of capital asset;	
15. (b)	Date of acquisition;	
15. (c)	Cost of acquisition;	
15. (d)	Amount at which the asset is converted into stock-in-trade.	
16.	Amounts not credited to the profit and loss account, being, -	NIL
16. (a)	the items falling within the scope section 28;	
16. (b)	the proforma credits, drawbacks, refund of duty of customs or excise or service tax, or refund of sales tax or value added tax where such credits, drawbacks or refunds are admitted as due by the authorities concerned;	NIL
16.(c)	escalation claims accepted during the previous year;	NIL
16.(d)	any other item of income;	NIL
16.(e)	capital receipt, if any.	Annexure No. : 5
17.	Where any land or building or both is transferred during the previous year for a consideration less than value adopted or assessed or assessable by any authority of a State Government referred to in section 43CA or 50C, please furnish:	No
18.	Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following form :-	Annexure No. : 6
18. (a)	Description of asset/block of assets.	
18. (b)	Rate of depreciation.	
18. (c)	Actual cost of written down value, as the case may be.	
18. (d)	Additions/deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustments on account of-	
18. (d)(i)	Central Value Added Tax credits claimed and allowed under the Central Excise rules, 1944, in respect of assets acquired on or after 1 st March, 1994,	
18. (d)(ii)	Change in rate of exchange of currency, and	
18. (d)(iii)	Subsidy or grant or reimbursement, by whatever name called.	
18. (e)	Depreciation allowable.	



18. (f)	Written down value at the end of the year.	
19.	Amounts admissible under sections: 32AC, 32AD, 33AB, 33ABA, 35(1)(i), 35(1)(ii), 35(1)(ia), 35(1)(iii), 35(1)(iv), 35(2AA), 35(2AB), 35(ABB), 35(AC), 35(AD), 35(CCA), 35(CCB), 35(CCC), 35(CCD), 35D, 35DD, 35DDA, 35E :- (a)Debited to Profit and Loss Account and Allowable (b)Not Debited to profit and Loss Account.	NIL
20. (a)	Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend. [Section 36(1)(ii)]	NIL
20. (b)	Details of contributions received from employees for various funds as referred to in section 36(1)(va):	Annexure No. : 7
21. (a)	Please furnish the details of amounts debited to the profit and loss account, being in the nature of capital, personal, advertisement expenditure etc	Annexure No. : 8
21. (b)	Amounts inadmissible under section 40(a):-	NIL
21. (c)	Amounts debited to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof;	NIL
21. (d)	Disallowance/ deemed income under section 40A(3):	Yes
21. (A)	On the basis of the examination of books of account and other relevant documents/ evidence, whether the expenditure covered under section 40A(3) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details:	
21. (B)	On the basis of the examination of books of account and other relevant documents/ evidence, whether the payment referred to in section 40A(3A) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft If not, please furnish the details of amount deemed to be the profits and gains of business or profession under section 40A(3A);	Yes
21. (e)	provision for payment of gratuity not allowable under section 40A(7),	
21. (f)	any sum paid by the assessee as an employer not allowable under section 40A(9);	NIL
21. (g)	particulars of any liability of a contingent nature;	NIL
21. (h)	amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income;	NIL
21. (i)	Amounts inadmissible under the proviso to section 36(1)(iii).	NIL
22.	Amount of Interest inadmissible under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	NIL
23.	Particulars of payments made to persons specified under section 40A(2)(b).	Annexure No. : 9
24.	Amounts deemed to be profits and gains under section 32AC, 32AD or 33AB or 33ABA or 33AC.	NIL
25.	Any amount of profit chargeable to tax under section 41 and computation thereof.	NIL
26.	In respect of any sum referred to in clause (a), (b), (c), (d), (e), (f) or (g) of section 43B, the liability for which:--	NIL
26.(A)	Pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was	



26.(A)(a)	paid during the previous year;	
26.(A)(b)	not paid during the previous year;	
26.(B)	was incurred in the previous year and was	Annexure No. : 10
26.(B)(a)	paid on or before the due date for furnishing the return of income of the previous year under section 139(1);	
26.(B)(b)	not paid on or before the aforesaid date.	No
	(State whether sales tax, customs duty, excise duty or any other indirect tax, levy, cess, impost etc. is passed through the profit and loss account.)	
27. (a)	Amount of Central Value Added Tax credits availed of or utilised during the previous year and its treatment in the profit and loss account and treatment of outstanding Central Value Added Tax credits in the accounts.	NIL
27. (b)	Particulars of income or expenditure of prior period credited or debited to the profit and loss account.	NIL
28.	Whether during the previous year the assessee has received any property, being share of a company not being a company in which the public are substantially interested, without consideration or for inadequate consideration as referred to in section 56(2)(viiia), if yes, please furnish the details of the same.	No
29.	Whether during the previous year the assessee received any consideration for issue of shares which exceeds the fair market value of the shares as referred to in section 56(2)(viib), if yes, please furnish the details of the same.	No
29.(a)	Whether any amount is to be included as income chargeable under the head 'income from other sources' as referred to in clause (ix) of sub-section (2) of section 56	No
29.(b)	Whether any amount is to be included as income chargeable under the head 'income from other sources' as referred to in clause (x) of sub-section (2) of section 56?	No
30.	Details of any amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque. [Section 69D]	No
30.(a)	Whether primary adjustment to transfer price, as referred to in sub-section 1) of section 92Ce, has been made during the previous year	No
30.(b)	Whether the assessee has incurred expenditure during the previous year by way of interest or of similar nature exceeding one crore rupees as referred to in sub-section (1) of section 94B	No
31.(a)	Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year :—	Annexure No. : 11 (a)
31.(a)(i)	name, address and Permanent Account Number (if available with the assessee) of the lender or depositor;	
31.(a)(ii)	amount of loan or deposit taken or accepted;	
31.(a)(iii)	whether the loan or deposit was squared up during the previous year;	
31.(a)(iv)	maximum amount outstanding in the account at any time during the previous year;	
31.(a)(v)	whether the loan or deposit was taken or accepted by cheque or bank draft or use of electronic clearing system	



	through a bank account;	
31.(a)(vi)	in case the loan or deposit was taken or accepted by cheque or bank draft, whether the same was taken or accepted by an account payee cheque or an account payee bank draft.	
31.(b)	Particulars of each specified sum in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year:-	None
31.(b)(i)	name, address and Permanent Account Number (if available with the assessee) of the person from whom specified sum is received;	
31.(b)(ii)	amount of specified sum taken or accepted;	
31.(b)(iii)	whether the specified sum was taken or accepted by cheque or bank draft or use of electronic clearing system through a bank account;	
31.(b)(iv)	in case the specified sum was taken or accepted by cheque or bank draft, whether the same was taken or accepted by an account payee cheque or an account payee bank draft.	
	(Particulars at (a) and (b) need not be given in the case of a Government company, a banking company or a corporation established by the Central, State or Provincial Act.)	
31.(ba)	Particulars of each receipt in an amount exceeding the limit specified in section 269ST, in aggregate from a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion from a person, during the previous year, where such receipt is otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account	None
31.(bb)	Particulars of each receipt in an amount exceeding the limit specified in section 269ST, in aggregate from a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasions from a person, received by a cheque or bank draft, not being an account payee cheque or an account payee bank draft, during the previous year	None
31.(bc)	Particulars of each payment made in an amount exceeding the limit specified in section 269ST, in aggregate to a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasions to a person, otherwise than by a cheque or bank draft, or use of electronic clearing system through a bank account, during the previous year	None
31.(bd)	Particulars of each payment made in an amount exceeding the limit specified in section 269ST, in aggregate to a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasions to a person, made by a cheque or bank draft, not being an account payee cheque or an account payee bank draft, during the previous year	None
31. (c)	Particulars of each repayment of loan or deposit in an amount exceeding the limit specified in section 269T made during the previous year: -	Annexure No. : 11 (c)
31. (c)(i)	name, address and permanent Account Number (if available with the assessee) of the payee;	
31. (c)(ii)	amount of the repayment;	
31. (c)(iii)	maximum amounts outstanding in the account at any time during the previous year;	



31. (c)(iv)	whether the loan or deposit was taken or accepted by cheque or bank draft or use of electronic clearing system through a bank account;	
31. (c)(v)	in case the ewpayment was made by cheque or bank draft, whether the same was taken or accepted by an account payee cheque or an account payee bank draft.	
31.(d)	Particulars of repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T received otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account during the previous year:—	None
31.(d)(i)	name, address and Permanent Account Number (if available with the assessee) of the lender, or depositor or person from whom specified advance is received;	
31.(d)(ii)	amount of loan or deposit or any specified advance received otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account during the previous year.	
31.(e)	Particulars of repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T received by a cheque or bank draft which is not an account payee cheque or account payee bank draft during the previous year:—	None
31.(e)(i)	name, address and Permanent Account Number (if available with the assessee) of the lender, or depositor or person from whom specified advance is received;	
31.(e)(ii)	amount of loan or deposit or any specified advance received by a cheque or a bank draft which is not an account payee cheque or account payee bank draft during the previous year.	
	(Particulars at (c), (d) and (e) need not be given in the case of a repayment of any loan or deposit or any specified advance taken or accepted from the Government, Government company, banking company or a corporation established by the Central, State or Provincial Act)	
32. (a)	Details of brought forward loss or depreciation allowance, in the following manner, to the extent available:	No
32. (b)	whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section 79.	No
32. (c)	Whether the assessee has incurred any speculation loss referred to in section 73 during the previous year, If yes, please furnish the details of the same.	No
32. (d)	whether the assessee has incurred any loss referred to in section 73A in respect of any specified business during the previous year, if yes, please furnish details of the same.	No
32. (e)	In case of a company, please state that whether the company is deemed to be carrying on a speculation business as referred in explanation to section 73, if yes, please furnish the details of speculation loss if any incurred during the previous year.	No
33.	Section-wise details of deductions, if any, admissible under Chapter VIA or Chapter III (Section 10A, Section 10AA).	NIL
34. (a)	Whether the assessee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish:	Annexure No. : 12 Yes



(b)	whether the assessee is required to furnish the statement of tax deducted or tax collected. If yes, please furnish the details	Annexure No. : 13 Yes
(c)	whether the assessee is liable to pay interest under section 201(1A) or section 206C(7). If yes, please furnish:	Annexure No. : 14 Yes
35.(a)	In the case of a trading concern, give quantitative details of principal items of goods traded :	None
(i)	Opening Stock;	
(ii)	purchases during the previous year;	
(iii)	sales during the previous year;	
(iv)	closing stock;	
(v)	shortage/excess, if any	
35.(b)	In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products :	Annexure No. : 15
A.	Raw Materials:	
(i)	opening stock;	
(ii)	purchases during the previous year;	
(iii)	consumption during the previous year	
(iv)	sales during the previous year;	
(v)	closing stock;	
(vi)	*Yield of finished products;	
(vii)	* Percentage of yield;	
(viii)	*shortage/excess, if any.	
B.	Finished products/by-products :	
(i)	opening stock;	
(ii)	purchases during the previous year;	
(iii)	quantity manufactured during the previous year;	
(iv)	sales during the previous year;	
(v)	closing stock;	
(vi)	shortage/excess, if any.	
36.	In the case of a domestic company, details of tax on distributed profits under section 115-O in the following form:-	No
36. (a)	total amount of distributed profits;	
36. (b)	amount of reduction as referred to in section 115-O(1A)(i);	
36. (c)	amount of reduction as referred to in section 115-O(1A)(ii);	
36. (d)	total tax paid thereon;	
36. (e)	dates of payment with amounts.	
36 (A)	Whether the assessee has received any amount in the nature of dividend as referred to in sub-clause (e) of clause (22) of section 2	No 0.00
37.	Whether any cost audit was carried out, if yes, give the details, if any, of disqualification or disagreement on any matter/ item/ value/ quantity as may be reported/ identified	No



	by the cost auditor	
38.	Whether any audit was conducted under the Central Excise Act, 1944, if yes, give the details, if any, of disqualification or disagreement on any matter/ item/ value/ quantity as may be reported/ identified by the auditor.	No
39.	Whether any audit was conducted under section 72A of the Finance Act, 1994 in relation to valuation of taxable services, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the auditor	No
40.	Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:	Annexure No. : 16

Serial number	Particulars	Previous year	Preceding previous year
1.	Total turnover of the assessee	64,56,23,572.00	75,78,74,900.00
2.	Gross profit/ turnover	22.75	22.70
3.	Net profit/ turnover	1.85	1.66
4.	Stock-in-trade/ turnover	6.91	4.96
5.	Material consumed/ finished goods produced	71.78	75.14

(The details required to be furnished for principal items of goods traded or manufactured or services rendered)

41.	Please furnish the details of demand raised or refund issued during the previous year under any tax laws other than Income-tax Act, 1961 and Wealth-tax Act, 1957 alongwith details of relevant proceedings	No
42.	Whether the assessee is required to furnish statement in Form No.61 or Form No.61A or Form 61B	No
43.	Whether the assessee or its parent entity or alternate reporting entity is liable to furnish the report as referred to in sub-section (2) of section 286	No

Place: Mumbai
Date: 13/01/2021



**FOR Ganesh Associates
(Chartered Accountants)
Reg No. :0103056W**

G. A. Shetty

**Ganesh A Shetty
Proprietor**

**Membership No 034260
AALPS8049L**

UDIN: 21034260AAAABJ9514

**(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260**

FRN - 103056 W

Royal Arc Electrodes Limited
72B, Bombay Talkies Compound, S V Road, Malad (West), MUMBAI,
MAHARASHTRA-400064

Annexures Forming Part of 3CD For The Period Ended on 31 March 2020

ANNEXURE NO :- 1

Detail of Indirect taxes applicable					
Sno	Nature of Registration	State	Other Indirect Tax/Duty	Description [Not for E-filing]	Reg. No.
1	Central Custom Duty				396037411
2	Goods and Service Tax	GUJARAT			24AAACR41 46H1ZM
3	Goods and Service Tax	MAHARASHTRA			27AAACR41 46H1ZG
4	Goods and Service Tax	MAHARASHTRA		ISD Registration	27AAACR41 46H2ZF

ANNEXURE NO :- 2

Nature of Business & Profession 10 (a)			
Sno	Sector	Sub Sector	Code
1	MANUFACTURING	Other manufacturing n.e.c.	04097

ANNEXURE NO :- 3

List of Books								
Books of Account Prescribed U/s 44AA		Books of Account Maintained					Books of Account Examined	
Sno	Books Prescribed	Books Maintained	Address 1	Address 2	City/Town/District	State	Pin Code	Books Examined
1	None	Bank Book, Cash Book, Journal, Ledgers, Purchase Register, Sales Register, Stock Reg(Computerized)	Plot No. 8, Nr. Sheela Foam,	Survey No. 91/4, Village Zaroli, Tal. Umargaon	Valsad	GUJARAT	396130	Bank Book, Cash Book, Journal, Ledgers, Purchase Register, Sales Register, Stock Reg(Computerized)
2	None	Bank Book, Cash Book, Journal,	Survey No 49, Hissa No. 3A,	Vil. Devdal, Nr Anupam Stationery, V	Palghar	MAHARASHTRA	401208	Bank Book, Cash Book, Journal, Ledgers, Purch



		Ledgers, Purchase Register, Sales Register, Stock Register, Reg(Computerized)		asai(E)				ase Register, Sales Register, Stock Reg(Computerized)
3	None	Bank Book, Cash Book, Journal, Ledgers, Purchase Register, Sales Register, Stock Register, Reg(Computerized)	72B, Bombay Talkies Compound, S V Road	Malad (West)	MUMBAI	MAHARASHTRA	400064	Bank Book, Cash Book, Journal, Ledgers, Purchase Register, Sales Register, Stock Register, Reg(Computerized)

ANNEXURE NO :- 5

Capital receipt		
Sno	Description	Amount
1	Sale of Motor car	5,40,000.00

ANNEXURE NO :- 8

Amount debited to profit & loss account being in the nature of capital, personal, advertisement expenditure etc.			
Sno	Nature of Expenditure	Description of Expenditure	Amount
1	Personal Expenditure	Donation	12,000.00
2	Expenditure by way of any other penalty or fine not covered above	Interest on TDS	11,257.00
3	Expenditure by way of any other penalty or fine not covered above	TDS Expense	75.00

ANNEXURE NO :- 9

Particulars of payments made to persons specified under sections 40 A(2)(b)					
Sno	Name of Related Party	PAN No	Relation	Nature	Payment made(Amount)
1	Bipin S Sanghavi	AAJPS1042B	Director	Remuneration(Including Bonus)	16,24,950.00
2	Kishor A Shetty	AAGPS2681D	Director	Remuneration(Including Bonus)	16,24,950.00
3	Kishor A Shetty	AAGPS2681D	Director	Interest	3,43,051.00
4	Hardik B Sanghavi	AOBPS1550E	Director	Remuneration(Including Bonus)	16,24,950.00
5	Hardik B Sanghavi	AOBPS1550E	Director	Interest	2,07,261.00
6	Swagat B Sanghavi	BEUPS2409Q	Director	Remuneration(Including Bonus)	16,24,950.00
7	Swagat B Sanghavi	BEUPS2409Q	Director	Interest	4,55,020.00



8	Savita C Shetty	AAQPS4075D	Director	Remuneration(Including Bonus)	16,24,950.00
9	Savita C Shetty	AAQPS4075D	Director	Interest	1,46,311.00
10	Pooja S Sanghavi	BVBPM0741F	Wife of Director	Salary(Including Bonus)	4,97,743.00
11	Bipin S Sanghavi	AAJPS1042B	Director	Rent	13,20,000.00
12	Kishor A Shetty	AAGPS2681D	Director	Rent	13,20,000.00
13	Hardik B Sanghavi	AOBPS1550E	Director	Rent	1,20,000.00
14	Swagat B Sanghavi	BEUPS2409Q	Director	Rent	1,20,000.00
15	Savita C Shetty	AAQPS4075D	Director	Rent	1,20,000.00
16	Usha K Shetty	AAEPS2317Q	Wife of Director	Rent	1,20,000.00
17	Ami H Sanghvi	BCVPS1022G	Wife of Director	Salary(Including Bonus)	4,97,743.00

ANNEXURE NO :- 10

Liability Incurred During the previous year					
Sno	Section	Nature of Liability	Amount Incurred in prv. year but remaining outstanding on last day of prv. year.	Amount paid/set off before the due date of filing return/date upto which reported in the tax audit report, whichever earlier.	Amount Unpaid on the due date of filing return/date upto which reported in the tax audit report, whichever earlier.
1	Sec 43B(a)-tax , duty,cess,fee etc	Professional Tax	26,355.00	26,355.00	0.00
2	Sec 43B(b)-provident /superannuation/g ratuity/other fund	Provident Fund	1,24,905.00	1,24,905.00	0.00
3	Sec 43B(b)-provident /superannuation/g ratuity/other fund	ESIC	19,013.00	19,013.00	0.00
4	Sec 43B(a)-tax , duty,cess,fee etc	Goods and Service Tax (RCM)	56,972.00	56,972.00	0.00

ANNEXURE NO :- 11

Particulars of Acceptance of Loan or Deposit in an Amount Exceeding the Limit Specified u/s 269SS during the previous year (Clause 31(a))								
Sno	Name	Address	PAN No	Amount of Loan Accepted	Whether Loan Squared up	Maximum Amount Outstanding	Whether the Loan or Deposit was Accepted by Cheque or Bank Draft or Electronic Clearing System	If Loan or Deposit taken or Repaid by Cheque or Bank Draft whether Same by Repaid by Account Payee Cheque or Bank Draft
1	Bipin S Sanghavi	Mumbai	AAJPS1042B	1,64,58,652.0	No	2,23,14,736.00	Net Banking	



				0			
2	Hardik B Sanghavi	Mumbai	AOBPS1550E	23,57,100.00	No	51,81,850.00	Net Banking
3	Kishor A Shetty	Mumbai	AAGPS2681D	1,03,61,711.00	No	1,67,90,106.00	Net Banking
				0			
4	Savita C Shetty	Mumbai	AAQPS4075D	48,19,063.00	No	28,28,521.00	Net Banking
5	Swagat B Sanghavi	Mumbai	BEUPS2409Q	3,00,69,178.00	No	2,49,58,747.00	Net Banking
				0			

**Particulars of Each Repayment of Loan or Deposit or any specified advance in an amount exceeding the limit specified in section 269T made during the previous year
(Clause 31(c))**

Sno	Name	Address	PAN No	Amount of Repayment	Maximum Amount Outstanding	Whether the Repayment was made by Cheque or Bank Draft or use of Electronic Clearing System through a Bank Account	In case the Repayment was made by Cheque or Bank Draft, whether the same was taken or accepted by an Account Payee Cheque or an Account Payee Bank Draft
1	Bipin S Sanghavi	Mumbai	AAJPS1042B	2,36,61,153.00	2,23,14,736.00	Net Banking	
2	Hardik B Sanghavi	Mumbai	AOBPS1550E	59,12,932.00	51,81,850.00	Net Banking	
3	Kishor A Shetty	Mumbai	AAGPS2681D	2,68,18,854.00	1,67,90,106.00	Net Banking	
4	Savita C Shetty	Mumbai	AAQPS4075D	57,05,507.00	28,28,521.00	Net Banking	
5	Swagat B Sanghavi	Mumbai	BEUPS2409Q	3,70,75,997.00	2,49,58,747.00	Net Banking	

ANNEXURE NO :- 12

TDS Details as per chapter XVII-B & XVII-BB										
Sno	TAN No.	Section	Nature of Payment	Total Amount Paid/ Received as per nature specified in the column 3	Total Amount on which Tax is required to be deducted/ collected out of column 4	Total Amount on which Tax was deducted or collected at specified rate out of column 5v	Amount of Tax deducted or collected out of column 6	Total Amount on which tax was deducted or collected at less than specified rate out of Column 7	Amount of Tax deducted/ collected on column 8	Amount of Tax deducted or collected not deposited to the credit of the central govt. Out of column 6 & 8



	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	MUMR08 788D	192	Salary	5,10,30,04 5.00	5,10,30,04 5.00	5,10,30,04 5.00	11,74,754. 00	0.00	0.00	0.00
2	MUMR08 788D	194C	Payments to contractor and sub-contractors	2,22,85,53 3.00	2,22,85,53 3.00	2,22,85,53 3.00	3,72,378.0 0	0.00	0.00	0.00
3	MUMR08 788D	194H	Commission or brokerage	53,00,661. 00	53,00,661. 00	53,00,661. 00	2,65,051.0 0	0.00	0.00	0.00
4	MUMR08 788D	194I	Rent	31,20,000. 00	31,20,000. 00	31,20,000. 00	3,12,000.0 0	0.00	0.00	0.00
5	MUMR08 788D	194J	Fees for professional or technical services	67,50,000. 00	67,50,000. 00	67,50,000. 00	6,75,000.0 0	0.00	0.00	0.00
6	MUMR08 788D	195	Other sums	2,06,195.0 0	2,06,195.0 0	2,06,195.0 0	85,777.00	0.00	0.00	0.00

ANNEXURE NO :- 13

TDS Statement Details					
Sno	TAN No.	Type of Form	Due date of furnishing	Date of furnishing, if furnished	Whether the statement of tax deducted or collected contain information about all transaction which are required to be reported
1	MUMR08788D	Form 24Q	31/07/2019	27/07/2019	Yes
2	MUMR08788D	Form 24Q	31/10/2019	25/10/2019	Yes
3	MUMR08788D	Form 24Q	31/01/2020	25/01/2020	Yes
4	MUMR08788D	Form 24Q	31/07/2020	31/07/2020	Yes
5	MUMR08788D	Form 26Q	31/07/2019	27/07/2019	Yes
6	MUMR08788D	Form 26Q	31/10/2019	25/10/2019	Yes
7	MUMR08788D	Form 26Q	31/01/2020	25/01/2020	Yes
8	MUMR08788D	Form 26Q	31/07/2020	31/07/2020	Yes
9	MUMR08788D	Form 27Q	31/10/2019	25/10/2019	Yes
10	MUMR08788D	Form 27Q	31/01/2020	25/01/2020	Yes

ANNEXURE NO :- 14

Interest details paid u/s 201(1A), or 206C(7)				
Sno	TAN No.	Amount of interest u/s 201(1A)/206C(7) is payable	Amount paid out of column(2) along with date of payment	Dates of payment
1	MUMR08788D	462.00	462.00	01/04/2019
2	MUMR08788D	5.00	5.00	15/05/2019



3	MUMR08788D	7,770.00	7,770.00	01/06/2019
4	MUMR08788D	3,020.00	3,020.00	31/03/2020

ANNEXURE NO :- 15-2

Finished Goods								
Sno	Description of Goods	Units	Opening Stock	Purchases	Quantity Manufactured	Sales	Closing Stock	Shortage/Excess, if any
1	COPPER COATED WIRE	KILOGRAMS	31350	18300	466189	470297	45542	0
2	ELECTRO SLAG WELDING	KILOGRAMS	0	0	556	556	0	0
3	FLUX CORED WIRE	KILOGRAMS	30960	106087	1810300	1528703	418644	0
4	GRINDING WHEELS	KILOGRAMS	0	0	0	0	0	0
5	M.S.SCRAPS	KILOGRAMS	0	0	101185	101185	0	0
6	S.S.SCRAPS	KILOGRAMS	0	0	1465	1465	0	0
7	TIG WIRE	KILOGRAMS	0	0	36030	36030	0	0
8	WELDING ELECTRODES [KGS]	KILOGRAMS	129770	27294	2380876	2352392	185548	0
9	WELDING ELECTRODES [NOS]	NUMBERS	2480652	747969	48731565	49103203	2856983	0
10	WOODEN WASTAGE	KILOGRAMS	0	0	13085	13085	0	0

ANNEXURE NO :- 16

Accounting Ratios Current Year(Clause 40)			
Sno	Description	Formula	Ratio
1	Total Turnover		64,56,23,572.00
2	Gross Profit Ratio(%)	$146865708 / 645623572 * 100$	22.75 %
3	Net Profit Ratio(%)	$11916536 / 645623572 * 100$	1.85 %
4	Stock Turnover Ratio(%)	$44602090 / 645623572 * 100$	6.91 %
5	Material Consumed/Finished Goods Produced	$464496674 / 647133016 * 100$	71.78%

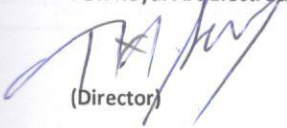
Accounting Ratios Previous Year(Clause 40)			
Sno	Description	Formula	Ratio
1	Total Turnover		75,78,74,900.00



2	Gross Profit Ratio(%)	172060771 / 757874900 * 100	22.7 %
3	Net Profit Ratio(%)	12573984 / 757874900 * 100	1.66 %
4	Stock Turnover Ratio(%)	37623849 / 757874900 * 100	4.96 %
5	Material Consumed/Finished Goods Produced	558401776 / 743127339 * 100	75.14 %

As Per Audit Report of Even Date

FOR Royal Arc Electrodes Limited


(Director)

Place : Mumbai
Date : 13/01/2021



FOR Ganesh Associates
(Chartered Accountants)

Reg No. :0103056W



Ganesh A Shetty
Proprietor

Membership No 034260
AALPS8049L

UDIN: 21034260AAAABJ9514

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260

FRN - 103056 W

Royal Arc Electrodes Limited
72B, Bombay Talkies Compound, S V Road, Malad (West), MUMBAI, MAHARASHTRA-400064

Annexure : 6

Depreciation allowable as per Income Tax Act for the period ended on 31/3/2020

Description- Block of asset	Opening WDV	Adjustment to WDV U/s 115BAA	Adjusted WDV	Rate	--ADDITIONS--		--DEDUCTIONS--		Capital Gain	Total	Depreciation	Add. Depreciation	Total Depreciation	Closing WDV	Block Nil(Y/N)
					180 Days OR more	Less Than 180 Days	180 Days OR more	Less Than 180 Days							
Furniture and Fixtures	3280866.00	0.00	3280866.00	10 %			0.00	0.00	0.00	3280866.00	328086.60	0.00	328086.60	2952779.40	N
Buildings	40904685.00	0.00	40904685.00	10 %			0.00	0.00	0.00	40904685.00	4090468.50	0.00	4090468.50	36814216.50	N
Machinery and Plant	2629581.00	0.00	2629581.00	40 %	59437.00	0.00	0.00	0.00	0.00	2689018.00	1075607.20	0.00	1075607.20	1613410.80	N
Machinery and Plant	58058017.00	0.00	58058017.00	15 %	1722079.00	269081.00	540000.00	0.00	0.00	59509177.00	8906195.48	0.00	8906195.48	50602981.52	N
Land	104873149.00	0.00	104873149.00		1781516.00	269081.00	540000.00	0.00	0.00	106383746.00	14400357.78	0.00	14400357.78	91983388.22	

As Per Audit Report of Even Date

FOR Ganesh Associates
(Chartered Accountants)
Reg No. : 0103056W

G. A. Shetty
Ganesh A Shetty
Proprietor
Membership No 034260
AALPS8049L

UDIN: 21034260AAAABJ9514

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260
FRN - 103056 W



Annexures Forming Part of 3CD For The Period Ended on 31 March 2020

ANNEXURE NO :- 7

Branch Name : Head Office					
Fund Name			PF		
Sr.No.	Month	Contribution	Due Date	Payment Date	Actual Amount
1	APRIL	136947	15/05/2019	15/05/2019	136947
2	MAY	133261	15/06/2019	15/06/2019	133261
3	JUNE	134319	15/07/2019	13/07/2019	134319
4	JULY	134282	15/08/2019	14/08/2019	134282
5	AUGUST	131948	15/09/2019	12/09/2019	131948
6	SEPTEMBER	127123	15/10/2019	15/10/2019	127123
7	OCTOBER	129910	15/11/2019	14/11/2019	129910
8	NOVEMBER	126547	15/12/2019	11/12/2019	126547
9	DECEMBER	126332	15/01/2020	14/01/2020	126332
10	JANUARY	125946	15/02/2020	14/02/2020	125946
11	FEBRUARY	122069	15/03/2020	12/03/2020	122069
12	MARCH	119937	15/05/2020	22/04/2020	119937
Fund Name			ESI		
Sr.No.	Month	Contribution	Due Date	Payment Date	Actual Amount
1	APRIL	11928	15/05/2019	15/05/2019	11928
2	MAY	11870	15/06/2019	15/06/2019	11870
3	JUNE	11693	15/07/2019	13/07/2019	11693
4	JULY	4990	15/08/2019	14/08/2019	4990
5	AUGUST	4933	15/09/2019	12/09/2019	4933
6	SEPTEMBER	4673	15/10/2019	15/10/2019	4673
7	OCTOBER	4721	15/11/2019	15/11/2019	4721
8	NOVEMBER	4569	15/12/2019	11/12/2019	4569
9	DECEMBER	4775	15/01/2020	14/01/2020	4775
10	JANUARY	4962	15/02/2020	14/02/2020	4962
11	FEBRUARY	4900	15/04/2020	12/03/2020	4900
12	MARCH	4412	15/05/2020	22/04/2020	4412

As Per Audit Report of Even Date


FOR Royal Arc Electrodes Limited


(Director)

Place : Mumbai
Date : 13/01/2021



FOR Ganesh Associates
(Chartered Accountants)
Reg No. 0103056W


Ganesh A Shetty
Proprietor
Membership No 034260
AALPS8049L

UDIN: 21034260AAAABJ9514

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260

FRN - 103056 W

Clause 13(f): Annexure to the Tax Audit Report u/s 44AB of the I.T. Act, 1961

AY: 2020-21

ICDS Disclosures

ROYALARC ELECTRODES LIMITED

ICDS	Disclosures as per ICDS	Disclosures
ICDS-I: Accounting Policies	As per para 6 of ICDS-I, the following is the disclosure :	
	1) all significant accounting policies adopted by a person	Please refer to note no 1 to financial statements
	As per para 7 of ICDS-I, the following are the disclosures :	
	(a) whether there is any change in an accounting policy which has a material effect	No change
	(b) the amount by which any item is affected by such change	Not applicable
	(c) whether such amount is not ascertainable either wholly or in part. If yes, then specify facts	Not applicable
	(d) whether there is any change made in the accounting policies which has no material effect for the current previous year but which is reasonably expected to have a material effect in later previous years. If yes, then specify facts	No change
ICDS-II: Valuation of Inventories	As per para 26 of ICDS-II, the following are the disclosures :	
	1) the accounting policies adopted in measuring inventories including the cost of formulae used	Please refer to Point No.7 of Note no-1 to financial statements
	2) whether standard costing has been used as a measurement of cost. If yes, then specify details of such inventories and a confirmation of the fact that standard cost approximates the actual cost	No
	3) the total carrying amount of inventories and its classification appropriate to a person	Please refer to note no 14 to financial statements



ICDS-III: Construction Contracts	As per para 24 of ICDS-III, the following are the disclosures :	Not applicable
	1) the amount of contract revenue recognised as revenue in the period	
	2) the methods used to determine the stage of completion of contracts in progress	Not applicable
	As per para 25 of ICDS-III, the following are the disclosures for contracts in progress at the end of the reporting date:	
	3) the amount of costs incurred and recognised profits (less recognised losses) upto the reporting date	
4) the amount of advanced received	Not applicable	
5) the amount of retentions		
ICDS-IV: Revenue Recognition	As per para 13 of ICDS-IV, the following are the disclosures in respect of revenue recognition :	Nil
	1) in a transaction involving sale of goods, total amount not recognised as revenue during the previous year due to lack of reasonably certainty of its ultimate collection along with nature of uncertainty	
	2) the amount of revenue from service transactions recognised as revenue during the previous year	Not applicable
	3) the method used to determine the stage of completion of service transactions in progress	Not applicable
	4) for service transactions in progress at the end of previous year,	
	(a) amount of costs incurred and recognised profits (less recognised losses) upto end of previous year	Not applicable
	(b) for service transactions in progress at the end of previous year, amount of advances received	Not applicable
	(c) for service transaction in progress, the amount of retentions	Not applicable



ICDS-V: Tangible Fixed Assets	As per para 19 of ICDS-V, the following are the disclosures in respect of tangible fixed assets :	Please refer to Note no-10 to financial statements
	1)description of asset or block of assets	
	2)rate of depreciation	
	3)actual cost or written down value, as the case may be	
	4)additions or deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustments on account of-	
	i) central value added tax credit claimed and allowed under the Cenvat Credit Rules,2004	
	ii)change in rate of exchange of currency	
	iii)subsidy or grant or reimbursement, by whatever name called	
	5)depreciation allowable	
	6)written down value at the end of year	



	As per para 14 of ICDS-VII, the following are the disclosures in respect of government grants :	
ICDS-VII: Governments Grants	1) nature and extent of government grants recognised during previous year by way of deduction from the actual cost of the asset or assets or from the written down value of block of assets during the previous year	Nil
	2) nature and extent of government grants recognised during the previous year as income	Nil
	3) nature and extent of government grants not recognised during the previous year by way of deduction from the actual cost of the asset or assets or from the written down value of block of assets and reasons thereof	Nil
	4) nature and extent of government grants not recognised during the previous year as income and reasons thereof	Nil
	As per para 11 of ICDS-IX, the following are the disclosures in respect of borrowing costs :	
ICDS-IX: Borrowing Costs	1) the accounting policy adopted for borrowing costs	Please refer to Point No.10 of Note no-1 to financial statements
	2) the amount of borrowing costs capitalised during the previous year	Nil



Royal Arc Entertainment Limited

ICDS-X: Provisions, contingent liabilities and contingent assets	As per para 21(1) of ICDS-X, the following are the disclosures in respect of each class of provision :	
	1) a brief description of the nature of the obligation	Please refer to Point No. 13 of Note no-1 to financial statements
	2) the carrying amount at the beginning and end of the previous year	Nil
	3) additional provisions made during the previous year, including increases to existing provisions	Nil
	4) amounts used, that is incurred and charged against the provision, during the previous year	Nil
	5) unused amounts reversed during the previous year	Nil
	6) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement	Nil
	As per para 21(2) of ICDS-X, the following are the disclosures in respect of each class of asset and related income recognised as provided in para 11:	
	1) a brief description of the nature of the asset and related income	Not applicable
	2) the carrying amount of asset at the beginning and end of the previous year	Not applicable
	3) additional amount of asset and related income recognised during the previous year, including increases to assets and related income already recognized	Not applicable
	4) amount of asset and related income reversed during the previous year	Not applicable



Royal Arc Electrodes Limited

PAN No :- AAACR4146H

Audit Report

Audit Under Section 92E of Income Tax Act, 1961

Financial Year	:	2019-2020
Assessment Year	:	2020-2021
Date of Audit Report	:	13/01/2021

Ganesh A Shetty
Ganesh Associates
Chartered Accountants

FORM NO. 3CEB

[See rule 10E]

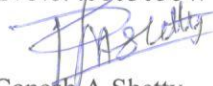
Report from an accountant to be furnished under section 92E relating to international transaction(s) and specified domestic transaction(s)

1. We have examined the accounts and records of Royal Arc Electrodes Limited, 72B, Bombay Talkies Compound, S V Road, Malad (West), MUMBAI, MAHARASHTRA, 400064, (PAN No : AAACR4146H) relating to the international transaction (s) and the specified domestic transaction(s) entered into by the assessee during the previous year ending on 31st March, 2020
2. In our opinion proper information and documents as are prescribed have been kept by the assessee in respect of the international transaction(s) and the specified domestic transactions entered into so far as appears from our examination of the records of the assessee.
3. The particulars required to be furnished under section 92E are given in the Annexure to this Form. In our opinion and to the best of my/our information and according to the explanations given to us, the particulars given in the Annexure are true and correct.

Date : 13/01/2021
Place : MUMBAI



FOR Ganesh Associates
(Chartered Accountants)
FRN No. : 0103056W


Ganesh A Shetty
(Proprietor)
M No. : 034260

UDIN : 21034260AAAABK7010

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260

FRN - 103056 W

ANNEXURE TO FORM NO. 3CEB

Particulars relating to international transactions and specified domestic transactions required to be furnished under section 92E of the Income-tax Act, 1961

PART A

1.	Name of the assessee	Royal Arc Electrodes Limited
2.	Address	72B,Bombay Talkies Compound,S V Road,Malad (West),MUMBAI,MAHARASHTRA, 400064
3.	Permanent account number	AAACR4146H
4.	Nature of business or activities of the assessee*	Other manufacturing n.e.c.-04097
5.	Status	Public Limited
6.	Previous year ended	2020
7.	Assessment year	2020-2021
8.	Aggregate value of international transactions as per books of accounts	14278921
9.	Aggregate value of specified domestic transactions as per books of accounts	0



PART B
(International Transactions)

10.	List of associated enterprises with whom the assessee has entered into international transactions, with the following details : (a) Name of the associated enterprise. (b) Nature of the relationship with the associated enterprise as referred to in section 92A(2). (c) Brief description of the business carried on by the associated enterprise	As per annexure-1
11.	Particulars in respect of transactions in tangible property.	
11(A)	Has the assessee entered into any international transaction(s) in respect of purchase/sale of raw material, consumables or any other supplies for assembling or processing/manufacturing of goods or articles from/to associated enterprises?	YES
	If 'yes', provide the following details in respect of each associated enterprise and each transaction or class of transaction : (a) Name and address of the associated enterprise with whom the international transaction has been entered into. (b) Description of transaction and quantity purchased/sold. (c) Total amount paid/received or payable/receivable in the transaction— (i) as per books of account; (ii) as computed by the assessee having regard to the arm's length price. (d) Method used for determining the arm's length price [See section 92C(1)]	As per annexure-2
11(B)	Has the assessee entered into any international transaction(s) in respect of purchase/sale of traded/finished goods? If 'yes' provide the following details in respect of each associated enterprise and each transaction or class of transaction :	NO
	(a) Name and address of the associated enterprise with whom the international transaction has been entered into. (b) Description of transaction and quantity purchased/sold. (c) Total amount paid/ received or payable/receivable in the transaction as per books of accounts; (ii) as computed by the assessee having regard to the arm's length price. (d) Method used for determining the arm's length price [See section 92C(1)]	Nil
11(C)	Has the assessee entered into any international transaction(s) in respect of purchase, sale, transfer, lease or use of any other tangible property including	NO



	transactions specified in Explanation (i)(a) below section 92B(2)?	
	<p>If 'yes' provide the following details in respect of each associated enterprise and each transaction or class of transaction:</p> <p>(a) Name and address of the associate enterprise with whom the international transaction has been entered into.</p> <p>(b) Description of the property and nature of transaction.</p> <p>(c) Number of units of each category of tangible property involved in the transaction.</p> <p>(d) Amount paid/received or payable/receivable in each transaction of purchase/sale/transfer /use, or lease rent paid/received or payable/receivable in respect of each lease provided/entered into —</p> <p>(i) as per books of account;</p> <p>(ii) as computed by the assessee having regard to the arm's length price.</p> <p>(e) Method used for determining the arm's length price [See section 92C(1)]</p>	Nil
12.	<p>Particulars in respect of transactions in intangible property :</p> <p>Has the assessee entered into any international transaction(s) in respect of purchase, sale, transfer, lease or use of intangible property including transactions specified in Explanation (i)(b) below section 92B(2)?</p>	NO
	<p>If 'yes' provide the following details in respect of each associated enterprise and each category of intangible property :</p> <p>(a) Name and address of the associated enterprise with whom the international transaction has been entered into.</p> <p>(b) Description of intangible property and nature of transaction.</p> <p>(c) Amount paid/received or payable/receivable for purchase/sale/transfer/lease/use of each category of intangible property—</p> <p>(i) as per books of account;</p> <p>(ii) as computed by the assessee having regard to the arm's length price.</p> <p>(d) Method used for determining the arm's length price [See section 92C(1)]</p>	Nil
13.	<p>Particulars in respect of providing of services :</p> <p>Has the assessee entered into any international transaction(s) in respect of Services including transactions as specified in Explanation (i)(d) below section 92B(2)?</p>	NO
	<p>If 'yes' provide the following details in respect of each associated enterprise and each category of service :</p> <p>(a) Name and address of the associated enterprise with whom the international transaction has been entered into.</p> <p>(b) Description of services provided/availed to/from the</p>	Nil



	<p>associated enterprise.</p> <p>(c) Amount paid/received or payable/receivable for the services provided/taken—</p> <p>(i) as per books of account;</p> <p>(ii) as computed by the assessee having regard to the arm's length price.</p> <p>(d) Method used for determining the arm's length price [See section 92C(1)]</p>	
14.	<p>Particulars in respect of lending or borrowing of money :</p> <p>Has the assessee entered into any international transaction(s) in respect of lending or borrowing of money including any type of advance, payments, deferred payments, receivable, non-convertible preference shares/debentures or any other debt arising during the course of business as specified in Explanation (i)(c) below section 92B (2)?</p>	NO
	<p>(a) Name and address of the associated enterprise with whom the international transaction has been entered into.</p> <p>(b) Nature of financing agreement.</p> <p>(c) Currency in which transaction has taken place</p> <p>(d) Interest rate charged/paid in respect of each lending/borrowing.</p> <p>(e) Amount paid/received or payable/receivable in the transaction—</p> <p>(i) as per books of account;</p> <p>(ii) as computed by the assessee having regard to the arm's length price.</p> <p>(f) Method used for determining the arm's length price [See section 92C(1)]</p>	Nil
15.	<p>Particulars in respect of transactions in the nature of guarantee:</p> <p>Has the assessee entered into any international transaction(s) in the nature of guarantee?</p>	NO
	<p>If yes, provide the following details:</p> <p>(a) Name and address of the associated enterprise with whom the international transaction has been entered into.</p> <p>(b) Nature of guarantee agreement</p> <p>(c) Currency in which the guarantee transaction was undertaken</p> <p>(d) Compensation/ fees charged/ paid in respect of the transaction</p> <p>(e) Method used for determining the arm's length price [See section 92C(1)]</p>	Nil
16.	<p>Particulars in respect of international transactions of purchase or sale of marketable securities, issue and buyback of equity shares, optionally convertible/ partially convertible/ compulsorily convertible debentures/ preference shares:</p> <p>Has the assessee entered into any international transaction(s) in respect of purchase or sale of</p>	NO



	marketable securities or issue of equity shares including transactions specified in Explanation (i)(c) below section 92B (2)?	
	If yes, provide the following details: (a) Name and address of the associated enterprise with whom the international transaction has been entered into. (b) Nature of transaction (c) Currency in which the transaction was undertaken (d) Consideration charged/ paid in respect of the transaction. (e) Method used for determining the arm's length price [See section 92C(1)]	Nil
17.	Particulars in respect of mutual agreement or arrangement : Has the assessee entered into any international transaction with an associated enterprise or enterprises by way of a mutual agreement or arrangement for the allocation or apportionment of, or any contribution to, any cost or expense incurred or to be incurred in connection with a benefit, service or facility provided or to be provided to any one or more of such enterprises?	NO
	If 'yes' provide the following details in respect of each agreement/arrangement: (a) Name and address of the associated enterprise with whom the international transaction has been entered into. (b) Description of such mutual agreement or arrangement. (c) Amount paid/received or payable/receivable in each such transaction— (i) as per books of account; (ii) as computed by the assessee having regard to the arm's length price. (d) Method used for determining the arm's length price [See section 92C(1)].	Nil
18.	Particulars in respect of international transactions arising out/ being part of business restructuring or reorganizations: Has the assessee entered into any international transaction(s) arising out/being part of any business restructuring or reorganization entered into by it with the associated enterprise or enterprises as specified in Explanation (i) (e) below section 92B (2) and which has not been specifically referred to above?	NO
	If 'yes', provide the following details: (a) Name and address of the associated enterprise with whom the international transaction has been entered into. (b) Nature of transaction (c) Agreement in relation to such business restructuring/reorganization. (d) Terms of business restructuring/ reorganization. (e) Method used for determining the arm's length price	Nil



	[See section 92C(1)].	
19.	Particulars in respect of any other transaction including the transaction having a bearing on the profits, income, losses or assets of the assessee: Has the assessee entered into any other international transaction(s) including a transaction having a bearing on the profits, income, losses or asset, but not specifically referred to above, with associated enterprise?	NO
	If 'yes' provide the following details in respect of each associated enterprise and each transaction : (a) Name and address of the associated enterprise with whom the international transaction has been entered into. (b) Description of the transaction. (c) Amount paid/received or payable/receivable in the transaction— (i) as per books of account; (ii) as computed by the assessee having regard to the arm's length price. (d) Method used for determining the arm's length price [See section 92C(1)].	Nil
20.	Particulars of deemed international transactions: Has the assessee entered into any transaction with a person other than an AE in pursuance of a prior agreement in relation to the relevant transaction between such other person and the associated enterprise?	NO
	If yes, provide the following details in respect of each of such agreement (a) Name and address of the person other than the associated enterprise with whom the deemed international transaction has been entered into. (b) Description of the transaction. (c) Amount paid/received or payable/receivable in the transaction— (i) as per books of account; (ii) as computed by the assessee having regard to the arm's length price. (d) Method used for determining the arm's length price [See section 92C(1)].	Nil



PART - C
(Specified domestic transaction)

21.	List of associated enterprises with whom the assessee has entered into specified domestic transactions, with the following details: (a) Name, address and PAN of the associated enterprise. (b) Nature of the relationship with the associated enterprise (c) Brief description of the business carried on by the said associated enterprise.	Nil
22.	Particulars in respect of transactions in the nature of any expenditure: Has the assessee entered into any specified domestic transaction (s) being any expenditure in respect of which payment has been made or is to be made to any person referred to in section 40A(2)(b)?	NO
	If "yes", provide the following details in respect of each of such person and each transaction or class of transaction: (a) Name of person with whom the specified domestic transaction has been entered into. (b) Description of transaction along with quantitative details, if any (c) Total amount paid or payable in the transaction— (i) as per books of account; (ii) as computed by the assessee having regard to the arm's length price. (d) Method used for determining the arm's length price [See section 92C(1)]	Nil
23.	Particulars in respect of transactions in the nature of transfer or acquisition of any goods or services:	
23(A)	Has any undertaking or unit or enterprise or eligible business of the assessee [as referred to in section 80A(6), 80IA(8) or section 10AA)] transferred any goods or services to any other business carried on by the assessee?	NO
	If yes, provide the following details in respect of each unit or enterprise or eligible business: (a) Name and details of business to which goods or services have been transferred (b) Description of goods or services transferred (c) Amount received/receivable for transferring of such goods or services – (i) as per the books of account; (ii) as computed by the assessee having regard to the arm's length price. (d) Method used for determining the arm's length	Nil




arm's length price. (d) Method used for determining the arm's length price [See section 92C(1)].	
---	--

Date : 13/01/2021
Place : MUMBAI



FOR Ganesh Associates
(Chartered Accountants)
FRN No. :0103056W


Ganesh A Shetty
(Proprietor)
M No. :034260

UDIN : 21034260AAAABK7010

(G. A. SHETTY)
CHARTERED ACCOUNTANT
M. No. 34260

FRN - 103056 W