



SECTION VI

RESTATED FINANCIAL INFORMATION OF THE COMPANY

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS

To

The Board of Directors
Royal Arc Electrodes Limited
72B, Bombay Talkies Compound,
S V Road, Malad(W), Mumbai,
Maharashtra-400064

Dear Sirs,

1. We have examined the attached restated financial statements of **Royal Arc Electrodes Limited** (hereinafter referred to as "**the Company**") comprising the Restated Statements of Assets and Liabilities as at March 31, 2022, March 31, 2023, March 31, 2024 and for half year ended September 30, 2024, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period ended March 31, 2022, March 31, 2023, March 31, 2024 and for half year ended September 30, 2024 the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on December 09, 2024, for the purpose of inclusion in the **Red Herring Prospectus** (Offer Document) prepared by the Company in connection with its proposed SME Initial Public Offer.

Offer of equity shares ("SME IPO") prepared in terms of the requirements of:

- (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ("**ICDR Regulations**") and related amendments/clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**")
- (iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**")

2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in *Annexure IV* of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We have examined such restated financial statements/information taking into consideration:
 - (i) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**"). The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
 - (ii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - (iii) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. These Restated Financial Statement have been compiled by the management of the company from the Audited Standalone Financial Statement of the company for half year ended September 30, 2024 and Audited Financial Statements of the company as at and for the year ended March 31, 2024, year ended 31st March, 2023 and 31st March, 2022 which have approved by the Board of Directors.
 - (i) We have audited the special purpose standalone financial statements of the company as at and for the half year ended September 30, 2024 prepared by the company in accordance with Indian Accounting Standard (Indian GAAP) for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation of proposed IPO.
 - (ii) Audited financial statements of the Company as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standards (Indian GAAP).
5. For the purpose of our examination, we have relied on:
 - (i) Auditors Report issued by previous auditor dated on July 03,2024 & Sept 04,2023 and Sept 03,2022 on the standalone financial statements of the company as at years ended March 31, 2024, March 31, 2023 and March 31, 2022. The audits for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 were

conducted by the previous auditors Bagadiya & Jain, Chartered Accountants, and accordingly reliance has been placed on the standalone statement of assets and liabilities and the standalone statements of profit and loss and cash flow statements and other explanatory information and examined by them for the said years.

6. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
- (i) The “**restated statement of asset and liabilities**” of the Company as at September 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
 - (ii) The “**restated statement of profit and loss**” of the Company for the half year ended on September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
 - (iii) The “**restated statement of cash flows**” of the Company for the half year ended on September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
7. Based on our examination, we are of the opinion that the restated financial statements have been prepared:
- a) after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively, if any in the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
 - b) In accordance with the Act, ICDR Regulations and the Guidance Note.

Annexure V - Notes to the Restated Financial Information:

- I. Share capital as restated as appearing in Note A to this report;
- II. Reserves and surplus as restated as appearing in Note B to this report;
- III. Long-term borrowings as restated as appearing in Note C to this report;
- IV. Deferred tax asset/liability as restated as per Note D to this report;
- V. Other Long-Term Liabilities as restated as per Note E to this report;

- VI. Long-term provisions as restated as appearing in Note F to this report;
- VII. Short-term borrowings as restated as appearing in Note G to this report;
- VIII. Trade payables as restated as appearing in Note H to this report;
- IX. Other current liabilities as restated as appearing in Note I to this report;
- X. Short-term provisions as restated as appearing in Note J to this report;
- XI. Property, Plant & Equipment as restated as appearing in Note K to this report;
- XII. Non-current assets as restated as appearing in Note L to this report;
- XIII. Other Non-current assets as restated as appearing in Note M to this report;
- XIV. Inventories as restated as appearing in Note N to this report;
- XV. Trade receivables as restated as appearing in Note O to this report;
- XVI. Cash & cash equivalents as restated as appearing in Note P to this report;
- XVII. Short-term loans & advances as restated as appearing in Note Q to this report;
- XVIII. Other current assets as restated as appearing in Note R to this report;
- XIX. Revenue from operations as restated as appearing in Note S to this report;
- XX. Other income as restated as appearing in Note T to this report;
- XXI. Raw material Consumed as restated as appearing in U to this report;
- XXII. Change in inventories of finished goods as restated as appearing in Note V to this report;
- XXIII. Employees benefit expenses as restated as appearing in Note W to this report;
- XXIV. Finance cost as restated as appearing in Note X to this report;
- XXV. Depreciation and Amortization as restated as appearing in Note Y to this report;
- XXVI. Other expenses as restated as appearing in Note Z to this report;
- XXVII. Contingent liabilities as restated as appearing in Note AD to this report;
- XXVIII. Information in respect of CSR expenditure required to be spent by the company in Note BJ to this report;
- XXIX. Related party transactions as restated as appearing in Note AI to this report;
- XXX. Capitalization statement as at 31st March, 2024 as restated as appearing in Note BK to this report;
- XXXI. Statement of accounting ratios & additional Information as restated as appearing in Note AZ to this report;

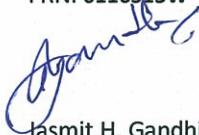
- 8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned above.
- 9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
- 10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 11. We, J H Gandhi & Co have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.
- 12. In our opinion, the above financial information contained in Annexure I to VII of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure IV are prepared after making adjustments and regrouping

as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For J. H Gandhi & Co
Chartered Accountants
FRN: 0116513W



Jasmit H. Gandhi
Membership No: 044844
UDIN: 24044844BKDANZ4090



Place: Mumbai
Date: 09/12/2024

Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure I - Restated Statement of Assets and Liabilities
(Amounts in INR Lakh, unless otherwise stated)

Particulars	Schedule	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share Capital	A	930.02	930.02	182.00	182.00
(b) Reserves and Surplus	B	3,614.66	3,297.16	2,852.56	1,895.74
Total		4,544.68	4,227.18	3,034.56	2,077.74
(2) Non-current liabilities					
(a) Long-term Borrowings	C	-	-	43.03	152.07
(b) Deferred Tax Liabilities	D	68.71	75.96	73.26	94.71
(c) Other Long-term Liabilities	E	25.65	26.65	83.94	98.83
(d) Long-term Provisions	F	52.12	44.45	36.92	29.58
Total		146.48	147.06	237.15	375.19
(3) Current liabilities					
(a) Short-term Borrowings	G	202.47	19.71	98.68	629.18
(b) Trade Payables	H				
- Due to Micro and Small Enterprises		221.51	350.86	258.97	-
- Due to Others		236.32	187.41	519.92	1,022.39
(c) Other Current Liabilities	I	130.79	157.90	110.03	77.20
(d) Short-term Provisions	J	86.48	134.49	126.09	66.14
Total		877.57	850.37	1,113.69	1,794.91
Total Equity and Liabilities		5,568.73	5,224.62	4,385.40	4,247.84
II. ASSETS					
(1) Non-current assets					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	K.1	1,857.99	1,625.02	1,392.27	1,452.51
(ii) Intangible Assets	K.2	0.31	0.45	1.13	1.03
(iii) Capital Work-in-progress	K.3	129.76	98.56	2.65	34.91
(b) Non-Current Investments	L	151.96	222.57	135.52	2.03
(c) Other Non-current Assets	M	77.45	71.65	55.29	77.22
Total		2,217.47	2,018.25	1,586.86	1,567.69
(2) Current assets					
(a) Inventories	N	1,030.24	904.22	606.69	1,083.92
(b) Trade Receivables	O	2,059.18	2,067.72	1,643.72	1,308.69
(c) Cash and Cash Equivalents	P	56.01	95.62	301.83	5.12
(d) Short-term Loans and Advances	Q	191.65	122.83	202.20	137.48
(e) Other Current Assets	R	14.18	15.98	44.10	144.94
Total		3,351.26	3,206.37	2,798.54	2,680.15
Total Assets		5,568.73	5,224.62	4,385.40	4,247.84

The above Restated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - V and Statement of Adjustments to Audited Financial Statements appearing in Annexure - VII.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

As per our report of even date attached

For, J. H. Gandhi & Co
Chartered Accountants
ERN: 0116513W


Jasmit H. Gandhi
Proprietor


M. No.: 044844
UDIN: 24044844BKDANZ4090

Place: Mumbai
Date: 09/12/2024



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


Bipin Sanghvi
Managing Director
DIN No.: 00462839


Swagat Sanghvi
Whole-time director
DIN No.: 01695341


Hardik Sanghvi
Chief Financial Officer


Mansi Bagadiya
Company Secretary
M. No.: A56143

Place : Mumbai
Date: 09/12/2024

Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure II - Restated Statement of Profit and Loss
(Amounts in INR Lakh, unless otherwise stated)

Particulars	Schedule	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from Operations	S	4,560.47	9,978.75	9,694.02	6,290.97
Other Income	T	45.23	120.50	109.46	191.26
Total Income		4,605.70	10,099.25	9,803.48	6,482.23
Expenses					
Cost of Raw Material Consumed	U	3,609.34	6,383.68	6,468.15	4,837.61
Change in Inventories of work in progress, finished goods and Stock in Trade	V	(291.51)	209.13	221.59	(140.38)
Employee Benefit Expenses	W	352.04	773.57	691.66	422.80
Finance Costs	X	6.31	9.89	60.84	97.53
Depreciation and Amortization Expenses	Y	135.82	180.85	184.29	177.48
Other Expenses	Z	367.26	916.26	871.61	806.43
Total expenses		4,179.27	8,473.38	8,498.14	6,201.47
Restated profit/(Loss) before Exceptional and Extraordinary Item and Tax		426.43	1,625.87	1,305.34	280.76
Exceptional Item					
Restated profit/(Loss) before Extraordinary Item and Tax		426.43	1,625.87	1,305.34	280.76
Extraordinary Item					
Restated profit/(Loss) before Tax		426.43	1,625.87	1,305.34	280.76
Tax Expenses	AA				
- Current Tax		116.19	425.25	365.12	86.04
- Deferred Tax Expenses/(Income)		(7.25)	2.70	(21.44)	(18.12)
- Short /(Excess) provision for income tax of earlier year		-	5.29	4.84	0.71
Total Tax Expense		108.93	433.24	348.52	68.63
Restated profit/(Loss) after Tax		317.50	1,192.63	956.82	212.13
Restated Earnings Per Share (Face Value per Share Rs.10 each)					
-Basic	AB	3.41	12.82	10.29	2.28
-Diluted	AB	3.41	12.82	10.29	2.28

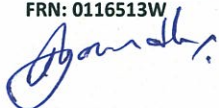
The above Restated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - V and Statement of Adjustments to Audited Financial Statements appearing in Annexure - VII.

This is the Restated Statement of Profit and Loss referred to in our report of even date.

As per our report of even date attached

For, J. H. Gandhi & Co
Chartered Accountants

FRN: 0116513W



Jasmit H. Gandhi
Proprietor
M. No.: 044844
UDIN: 24044844BKDANZ4090

Place: Mumbai
Date: 09/12/2024



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



Bipin Sanghvi
Managing Director
DIN No.: 00462839



Swagat Sanghvi
Whole-time director
DIN No.: 01695341



Hardik Sanghvi
Chief Financial Officer



Mansi Bagadiya
Company Secretary
M. No.: A56143

Place : Mumbai
Date: 09/12/2024

Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure III - Restated Statement of Cash Flows
(Amounts in INR Lakh, unless otherwise stated)

Particulars	Schedule	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before tax		426.43	1,625.87	1,305.34	280.76
Adjustments:					
(1) Non-cash and Non-operating Expenses:					
Depreciation / Amortisation Expenses		135.82	180.85	184.29	177.48
Loss on sale of assets		-	-	25.56	-
Finance Cost		6.31	9.89	60.84	97.53
(2) Non-operating Income:					
Profit on sale of asset		(2.40)	(0.39)	-	(1.15)
Interest Income		(3.13)	(15.61)	(4.21)	(2.63)
Rent Income		(0.54)	(0.18)	-	-
Net Loss/(Gain) on Sale of Investments		(13.41)	-	-	-
Non Cash Expenses		-	-	-	-
Dividend Income (Investment Income)		(0.15)	(0.12)	(0.12)	(0.12)
Operating Profit before working capital changes		548.92	1,800.31	1,571.70	551.87
Adjustment for:					
Increase/(Decrease) in Trade Payables		(80.44)	(240.63)	(243.49)	188.29
Increase/(Decrease) in Other Current Liabilities		(27.10)	47.87	32.83	(48.24)
Increase/(Decrease) in Short-Term Provisions		2.13	388.98	298.49	102.84
Increase/(Decrease) in Long-Term Provisions		7.67	7.53	7.34	4.16
(Increase)/Decrease in Inventories		(126.02)	(297.53)	477.23	(210.07)
(Increase)/Decrease in Trade Receivables		8.53	(424.00)	(335.03)	(233.25)
(Increase)/Decrease in Short-term Loans & Advances		(68.82)	(326.19)	(368.98)	(39.53)
(Increase)/Decrease in Other Current Assets		1.79	28.12	100.84	56.30
Other Adjustments - Increase/Decrease in Non Current Assets		(5.80)	(16.36)	21.93	0.22
Operating Gain after working capital changes		260.88	968.10	1,562.86	372.59
Cash generated from operating activities before taxes		260.88	968.10	1,562.86	372.59
Less: Direct Taxes Paid (Net of Refunds)		166.33	405.56	304.27	132.15
Net Cash provided/(used) by operating activities		94.55	562.54	1,258.59	240.43
CASH FLOW FROM INVESTING ACTIVITIES					
(Purchase) / Sale of assets		(399.85)	(508.44)	(117.45)	(113.87)
(Purchase) / Sale of Investments		86.43	(87.05)	(133.49)	-
Interest received		3.13	15.61	4.21	2.63
Dividend income		0.15	0.12	0.12	0.12
Rent received		0.54	0.18	-	-
Net Cash (Used in) Investing Activities		(309.60)	(579.58)	(246.61)	(111.12)



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure III - Restated Statement of Cash Flows
(Amounts in INR Lakh, unless otherwise stated)

Particulars	Schedule	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
CASH FLOW FROM FINANCING ACTIVITIES					
Increase/(Repayment) in Long-term borrowing		-	(43.03)	(109.04)	(54.30)
(Increase)/Decrease in Other Long term liabilities		(1.00)	(57.28)	(14.89)	(15.08)
Increase/(Repayment) in Short-term borrowing		182.76	(78.97)	(530.50)	12.36
Finance Cost		(6.31)	(9.89)	(60.84)	(97.53)
Net Cash (Used in) / Generated from Financing Activities		175.44	(189.17)	(715.27)	(154.55)
Net (Decrease) in Cash and Cash Equivalents		(39.61)	(206.21)	296.72	(25.23)
Opening Balance of Cash and Cash Equivalents		95.62	301.83	5.12	30.36
Closing Balance of Cash and Cash Equivalents	18	56.01	95.62	301.83	5.12

The above Restated Statement of Cash Flows should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - V and Statement of Adjustments to Audited Financial Statements appearing in Annexure - VII.

This is the Restated Statement of Cash Flows referred to in our report of even date.

As per our report of even date attached

For, J. H. Gandhi & Co
Chartered Accountants
FRN: 0116513W




Jasmit H. Gandhi
Proprietor
M. No.: 044844
UDIN: 24044844BKDANZ4090

Place: Mumbai
Date: 09/12/2024



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


Bipin Sanghvi
Managing Director
DIN No.: 00462839


Swagat Sanghvi
Whole-time director
DIN No.: 01695341


Hardik Sanghvi
Chief Financial Officer


Mansi Bagadiya
Company Secretary
M. No.: A56143

Place : Mumbai
Date: 09/12/2024

Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure IV - Significant Accounting Policies
(Amounts in INR Lakh, unless otherwise stated)

A COMPANY INFORMATION

Royal Arc Electrodes Limited ('the Company') is a public company domiciled in India and was incorporated on 15th January, 1996 under the provisions of the Companies Act, 1956. The registered office of the Company is located at 72B, Bombay Talkies Compound, S V Road, Malad (W), Mumbai, Maharashtra - 400064. and the manufacturing facility of the company is located at Plot No.6, Survey No. 91/4 Nr. Sheela Foam Village Zaroli Taluka: Umargaon, Dist. Valsad (Bhilad, Gujarat). The Company is engaged in the business of manufacturing of welding consumables such as, welding electrodes, flux cored wire, MIG/TIG wires.

B SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation

The financial statements have been prepared in conformity with the generally accepted accounting principles to comply in all material 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 Property, Plant and Equipment and Depreciation

Property, Plant & Equipment are carried at cost of acquisition less accumulated depreciation and its written down value is stated. Cost includes inward freight, duties, taxes and incidental expenses related to the acquisition, construction and installation of the fixed assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. 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.

4 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.

5 Capital Work-in-progress

Cost and direct expense incurred for construction of assets or assets to be acquired and which are not ready for use are disclosed under "Capital Work-in-progress"

6 Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

7 Impairment

a) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

b) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

c) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure IV - Significant Accounting Policies
(Amounts in INR Lakh, unless otherwise stated)

8 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.

9 Employee Benefits

(i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as expense when employees have rendered services entitling them to such benefits.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

10 Revenue recognition

Revenue from sales is recognized as and when the goods are dispatched to the customers and invoice is prepared.

Other income is recognized on accrual basis and when there is reasonable certainty of its collection.

11 Taxation

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

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

12 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.



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure IV - Significant Accounting Policies
(Amounts in INR Lakh, unless otherwise stated)

13 Earnings per share

The basic and diluted earnings per share is computed by dividing the profit/loss after tax available for equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

14 Employee benefits

Employee benefit expenses include salary, wages, performance incentives, compensated absences, medical benefits and other perquisites. It also includes post-employment benefits such as provident fund, superannuation fund, gratuity, pensionary benefits etc.

Post-employment benefits and other long term employee benefits

Short term employee benefit obligations are estimated and provided for in the statement of profit and loss.

- Defined contribution plans

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/or statute and charged to the statement of profit and loss in the period of incurrence when the services are rendered by the employees.

- Defined benefit plans and compensated absences

Expenditure on compensated absences and termination benefits (including expenditure on gratuity, voluntary retirement scheme, etc.) is recognised in the statement of profit and loss in the period of incurrence.

15 Inventories

Inventories are valued at the lower of cost and net realisable value after providing for cost of obsolescence. The method of determination of cost is as follows:

a. Finished goods - comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods. Trade discounts, rebates and other similar items are deducted in determining the cost.

ICDS II as prescribed under section 145 of the Income Tax Act, 1961 requires 'Purchase cost' to include duties and taxes, freight inwards and other expenditure directly attributable to the acquisition.

Further section 145A of the Income Tax Act, 1961 requires valuation of purchases, sales and inventory be adjusted to include the amount of tax, duty, cess or fees (by whatever name called) actually paid and incurred to bring the goods to the place of its location and conditions as on the date of valuation.

After including taxes, duties, cess etc. to inventory as well as purchases, sales and payments made or expenditure incurred of these taxes, duties, cess, etc. to comply with the provisions of section 145A the overall impact of the adjustments made on the income of the assessee is nil. Accordingly, even the exclusive method followed as per Accounting Standards issued by ICAI for the purpose of valuation of inventory is tax neutral.

16 Provisions, Contingent liabilities and Contingent assets

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

17 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

18 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Where, a qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Substantial period of time primarily depends on the facts and circumstances of each asset. However, ordinarily, a period of twelve months is considered as substantial. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Exchange differences arising from foreign currency borrowings and considered as borrowing costs are those exchange differences which arise on the amount of principal of the foreign currency borrowings to the extent of the difference between interest on local currency borrowings and interest on foreign currency borrowings. Thus, the amount of exchange difference not exceeding the difference between interest on local currency borrowings and interest on foreign currency borrowings is considered as borrowings costs and the remaining exchange difference, if any, is accounted for under AS 11, The Effects of Changes in Foreign Exchange Rates. For this purpose, the interest rate for the local currency borrowings is considered as that rate at which the enterprise would have raised the borrowings locally had the enterprise not decided to raise the foreign

19 Current assets, loans and advances

Current assets, loans and advances are of the value stated if realisable in the ordinary course of business.

20 Loans and borrowings

Secured as well as unsecured loans are stated at full value of liability payable on the date of balance sheet or future date.



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure IV - Significant Accounting Policies
(Amounts in INR Lakh, unless otherwise stated)

21 Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (a) the company will comply with the conditions attached to them, and (b) the grant/subsidy will be received.

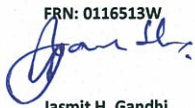
Where the grant relates to an asset, it is shown as a reduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the statement of profit and loss over the useful life of the asset by way of reduced depreciation charge.

Where the grant relates to reimbursement of interest on term loan, it is recognised as a reduction from the finance cost of the term loan concerned.

As per our report of even date attached

For, J. H. Gandhi & Co
Chartered Accountants

FRN: 0116513W



Jasmit H. Gandhi
Proprietor
M. No.: 044844
UDIN: 24044844BKDANZ4090

Place: Mumbai
Date: 09/12/2024

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




Bipin Sanghvi
Managing Director
DIN No.: 00462839



Hardik Sanghvi
Chief Financial Officer

Place : Mumbai
Date: 09/12/2024



Swagat Sanghvi
Whole-time director
DIN No.: 01695341



Mansi Bagadiya
Company Secretary
M. No.: A56143



A Share Capital

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Authorised Share Capital				
Equity Shares, Rs. 10 (previous year Rs. 10) par value, 1,80,00,000 (Previous Year -20,00,000) Equity Shares	1,800.00	1,800.00	200.00	200.00
Issued, Subscribed and Fully Paid up Share Capital				
Equity Shares, Rs. 10 (previous year Rs. 10) par value, 93,00,200 (Previous Year -18,20,000) Equity Shares paid up	930.02	930.02	182.00	182.00
Total	930.02	930.02	182.00	182.00

(i) Reconciliation of number of shares

Particulars	As at 30 Sept 2024		As at 31 March 2024	
	No. of shares	(INR in '00000)	No. of shares	(INR in '00000)
Equity Shares				
Opening Balance	9,300,200	930.02	1,820,000	182.00
Issued during the year (Bonus)	-	-	7,480,200	748.02
Deletion during the year	-	-	-	-
Closing balance	9,300,200	930.02	9,300,200	930.02

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	(INR in '00000)	No. of shares	(INR in '00000)
Equity Shares				
Opening Balance	1,820,000	182.00	1,820,000	182.00
Issued during the year	-	-	-	-
Deletion during the year	-	-	-	-
Closing balance	1,820,000	182.00	1,820,000	182

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 (previous year Rs. 10) per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of Shareholder	As at 30 Sept 2024		As at 31 March 2024	
	No. of shares	In %	No. of shares	In %
Bipin Sanghvi	892,717	9.60%	892,717	9.60%
Hardik Sanghvi	2,682,750	28.85%	2,682,750	28.85%
Ami H. Sanghvi	638,750	6.87%	638,750	6.87%
Swagat Sanghvi	2,682,750	28.85%	2,682,750	28.85%
Pooja S. Sanghvi	638,750	6.87%	638,750	6.87%
Tarulata Bipin Sanghvi	1,763,461	18.96%	1,763,461	18.96%

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	In %	No. of shares	In %
Bipin Sanghvi	174,700	1.88%	174,700	9.60%
Hardik Sanghvi	525,000	5.65%	525,000	28.85%
Ami H. Sanghvi	125,000	1.34%	125,000	6.87%
Swagat Sanghvi	525,000	5.65%	525,000	28.85%
Pooja S. Sanghvi	125,000	1.34%	125,000	6.87%
Tarulata Bipin Sanghvi	345,100	3.71%	345,100	18.96%

(iv) Shares held by Promoters at the end of the year 30 September 2024

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Bipin Sanghvi	Equity	892,717	9.60%	0.00%
Hardik Sanghvi	Equity	2,682,750	28.85%	0.00%
Swagat Sanghvi	Equity	2,682,750	28.85%	0.00%
Tarulata Bipin Sanghvi	Equity	1,763,461	18.96%	0.00%

Shares held by Promoters at the end of the year 31 March 2024

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Bipin Sanghvi	Equity	892,717	9.60%	0.00%
Hardik Sanghvi	Equity	2,682,750	28.85%	0.00%
Swagat Sanghvi	Equity	2,682,750	28.85%	0.00%
Tarulata Bipin Sanghvi	Equity	1,763,461	18.96%	0.00%

Shares held by Promoters at the end of the year 31 March 2023

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Bipin Sanghvi	Equity	174,700	9.60%	0.00%
Hardik Sanghvi	Equity	525,000	28.85%	0.00%
Swagat Sanghvi	Equity	525,000	28.85%	0.00%
Tarulata Bipin Sanghvi	Equity	345,100	18.96%	0.00%

Shares held by Promoters at the end of the year 31 March 2022

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Bipin Sanghvi	Equity	174,700	9.60%	0.00%
Hardik Sanghvi	Equity	525,000	28.85%	0.00%
Swagat Sanghvi	Equity	525,000	28.85%	0.00%
Tarulata Bipin Sanghvi	Equity	345,100	18.96%	0.00%



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

B Reserves and Surplus

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Statement of Profit and loss				
Balance at the beginning of the year	3,297.16	2,852.56	1,895.74	1,704.63
Add: Profit during the year	317.50	1,192.63	956.82	212.13
Less: Issue of Bonus Shares during the year	-	(748.02)	-	-
Add: Reclassification from Asset to Deposit	-	-	-	6.43
Less: Effect of first time adoption of AS-15	-	-	-	(32.67)
Add: Reclassification from Expense to Deposit	-	-	-	6.37
Less: Restatement of Gratuity Fund Balances	-	-	-	(1.15)
	3,614.66	3,297.16	2,852.56	1,895.74
Balance at the end of the year	3,614.66	3,297.16	2,852.56	1,895.74

C Long term borrowings

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Secured Term loans from banks	-	-	43.03	152.07
Total	-	-	43.03	152.07

C.1 Particulars of Borrowings

Name of Lender/Type of Loan	Nature of Security	Rate of Interest	Monthly Instalments	No of Instalment
MSME Working Capital Term Loan	Second charge on Current and movable fixed assets of the company. Second charge on Industrial property. Unconditional & irrevocable Guarantee from NCGTC.	9.25%	6.39	36
HDFC Bank / Car Loan	Hypothecation of Car	7.95%	0.69	36

C.2 Details of Terms of Repayment for the other Long-Term Borrowings and security provided in respect of the secured other Long-Term Borrowings:

a) MSME Working Capital Term Loan

Working capital term loan is repayable in 36 equal monthly principal instalments of Rs. 6,38,889/- @ fixed interest rate of 9.25% p.a. payable at monthly rests. The said loan is secured by way of:
Second charge on the current and movable fixed assets of the company except movable assets funded from term loan taken from yes bank.
Second charge on Industrial property located at Plot No. 6, Survey No.91/Paiki-4 of Village Zaroli, Bhillad Road, Valsad, Gujarat -396105
Unconditional & irrevocable Guarantee from NCGTC

b) HDFC Bank Car Loan - JeepsI

The loan is primarily secured by way of hypothecation of JeepsI Car which is repayable in 36 equal monthly instalments of Rs. 68,889/- @ interest rate of 7.95% p.a. payable at monthly rests.

c) Loans and advances from related parties (Directors)

Interest free loans from directors.

D Deferred tax liabilities Net

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liability/(Asset)-Net	68.71	75.96	73.26	94.71
Total	68.71	75.96	73.26	94.71

D.1 Significant components of Deferred Tax

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Deferred Tax Asset				
- On account of Disallowance under Section-40a(iia)	-	-	0.60	0.44
- On account of provision of Gratuity under Section-40A(7)	20.00	16.28	13.15	10.23
- On account of Disallowance of Bonus-Section 43B	3.02	1.92	-	-
- On account of provision of Leave encashment-Section 43B	0.74	1.74	1.60	-
Gross Deferred Tax Asset (A)	23.76	19.94	15.35	10.67
Deferred Tax Liability				
- On account of Difference between Book and Tax WDV	92.47	95.90	88.61	105.38
Gross Deferred Tax Liability (B)	92.47	95.90	88.61	105.38
Net Deferred Tax Liability/(Asset) (A)-(B)	68.71	75.96	73.26	94.71



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

E Other long term liabilities

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Others				
- Trade deposits and security deposits	25.65	26.65	83.94	98.83
Total	25.65	26.65	83.94	98.83

F Long term provisions

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits				
- Provision for Gratuity (Note-AG)	49.53	39.38	32.42	29.58
- Provision for Compensated Absences (Note-AG)	2.59	5.07	4.50	-
Total	52.12	44.45	36.92	29.58

F.1 Provision for Gratuity

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

F.2 Provision for Compensated Absences

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

G Short term borrowings

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Secured				
Loan repayable on demand from Bank				
- Cash credit / Overdraft	187.53	-	-	492.27
Unsecured				
Loan repayable on demand from Bank				
- Credit card	1.19	1.97	0.31	-
Unsecured Term loans from related parties	13.07	13.04	14.14	25.02
	201.79	15.01	14.45	517.29
Current maturity of long term borrowings				
Term loans from Bank				
-Hdfc Bank Car Loan	0.68	4.70	7.56	6.99
-Msme Wc Hsbc Term Loan	-	-	76.67	76.67
-Axis Bank Car Loan	-	-	-	28.23
	0.68	4.70	84.23	111.89
Unsecured				
Loans and advances from related parties				
- From directors	-	-	-	-
- Intercorporate deposits	-	-	-	-
Loans and advances from other parties				
- Others	-	-	-	-
	-	-	-	-
Total	202.47	19.71	98.68	629.18

G.1 a) Loan repayable on demand from bank;

Cash credit is secured by way of exclusive charge on Industrial property located at Plot No. 6, Survey No.91/Paiki-4 of Village Zaroli, Bhilad Road, Valsad, Gujarat - 396105. Also, the said facility is secured by way of a second charge on the current and movable fixed assets of the company. Further, the said facility is secured by way of a Personal Guarantee from the directors Bipin Sanghvi, Hardik Sanghvi, and Swagat Sanghvi for Rs 13,00,00,000/-

b) Current maturities of long term borrowing

Refer Note No-C.1 and C.2 for details of securities, rate of interest and terms of repayments related to current maturities of long term borrowing

H Trade payables

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Due to Micro and Small Enterprises	221.51	350.86	258.97	-
Due to Others	236.32	187.41	519.92	1,022.39
Total	457.83	538.27	778.89	1,022.39

H.1 Trade Payable ageing schedule as at 30th September 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	221.03	0.48	-	-	221.51
Others	231.43	1.03	0.14	3.73	236.32
Disputed dues- MSME					
Disputed dues- Others					
Sub total	452.45	1.51	0.14	3.73	457.83
MSME - Undue					
Others - Undue					
Total	452.45	1.51	0.14	3.73	457.83



H.2 Trade Payable ageing schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	350.86	-	-	-	350.86
Others	182.91	0.65	3.84	-	187.41
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total	533.77	0.65	3.84	-	538.27
MSME - Undue	-	-	-	-	-
Others - Undue	-	-	-	-	-
Total	533.77	0.65	3.84	-	538.27

H.3 Trade Payable ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	258.94	0.03	-	-	258.97
Others	516.12	3.80	-	-	519.92
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total	775.06	3.83	-	-	778.89
MSME - Undue	-	-	-	-	-
Others - Undue	-	-	-	-	-
Total	775.06	3.83	-	-	778.89

H.4 Trade Payable ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,004.67	8.32	0.19	9.21	1,022.39
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total	1,004.67	8.32	0.19	9.21	1,022.39
MSME - Undue	-	-	-	-	-
Others - Undue	-	-	-	-	-
Total	1,004.67	8.32	0.19	9.21	1,022.39

I Other current liabilities

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Advance from Customers	69.79	7.53	23.88	19.44
Trade deposits and security deposits	-	-	-	-
Other payables				
- ESIC payable	0.46	0.31	0.02	0.02
- GST payable	-	30.38	6.79	2.03
- Provident Fund payable	2.06	1.78	1.78	1.61
- TDS payable	8.06	74.52	37.33	17.59
- TCS payable	0.29	0.52	1.52	0.32
- Professional Tax payable	0.23	0.17	0.48	0.48
- Salary and wages payable	49.91	41.31	36.82	33.80
- Other Expenses payable	-	1.38	1.41	1.91
Total	130.79	157.90	110.03	77.20

J Short term provisions

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits				
- Provision for Bonus	12.29	7.63	12.76	16.49
- Provision for Gratuity (Note-AG)	29.93	25.30	19.81	11.05
- Provision for Compensated Absences (Note-AG)	0.66	1.84	1.85	-
Others				
- Provision for Audit Fees	-	6.08	6.25	5.00
- Provision for Tax (Net of advance tax)	-28.42	21.65	62.51	25.98
- Provision for Corporate Social Responsibility	6.35	21.84	12.26	-
- Provision for Expenses	65.68	50.15	10.65	7.62
Total	86.48	134.49	126.09	66.14

J.1 Provision for Gratuity

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

J.2 Provision for Compensated Absences

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

K.1 Property, Plant and Equipment

Particulars	Plant & Machinery	Computers & Data Processing Units	Electrical Installations & Equipment	Tools	Lab Equipment	Office Equipment	Furniture & Fittings	Motor Vehicles	Building	Land	Total
Gross carrying amount											
As at April 2021	1,458.89	5.26	104.39	120.46	63.47	39.75	21.98	180.80	750.31	63.61	2,808.93
Addition	8.80	2.50	6.25	-	1.09	11.58	-	25.25	37.15	-	92.61
Deduction	-	-	9.18	-	-	9.46	2.71	32.56	-	-	53.91
As at March 2022	1,467.69	7.75	101.46	120.46	64.57	41.87	19.27	173.49	787.46	63.61	2,847.62
As at April 2022	1,467.69	7.75	101.46	120.46	64.57	41.87	19.27	173.49	787.46	63.61	2,847.62
Addition	190.24	1.04	2.09	-	-	2.92	3.50	33.75	-	-	233.55
Deduction	35.51	-	3.64	70.80	7.24	-	-	142.10	-	-	259.29
As at March 2023	1,622.42	8.79	99.91	49.66	57.33	44.79	22.77	65.14	787.46	63.61	2,821.88
As at April 2023	1,622.42	8.79	99.91	49.66	57.33	44.79	22.77	65.14	787.46	63.61	2,821.88
Addition	359.49	1.62	-	-	-	1.86	0.83	52.03	-	-	415.82
Deduction	3.50	-	-	-	-	-	-	5.29	-	-	8.79
As at March 2024	1,978.41	10.41	99.91	49.66	57.33	46.65	23.60	111.88	787.46	63.61	3,228.92
As at April 2024	1,978.41	10.41	99.91	49.66	57.33	46.65	23.60	111.88	787.46	63.61	3,228.92
Addition	364.42	0.61	0.34	-	-	0.49	1.35	-	1.43	-	368.65
Deduction	-	-	7.11	-	-	-	-	-	-	-	7.11
As at September 2024	2,342.83	11.02	93.15	49.66	57.33	47.14	24.95	111.88	788.89	63.61	3,590.45
Accumulated depreciation											
As at April 2021	724.64	4.99	78.75	97.40	52.95	35.47	11.81	49.45	203.51	-	1,258.96
Addition	98.24	0.55	7.50	6.78	3.52	1.91	1.93	20.46	36.20	-	177.09
Deduction	-	-	6.43	-	-	9.46	1.11	23.92	-	-	40.94
As at March 2022	822.88	5.54	79.82	104.18	56.46	27.92	12.62	45.98	239.72	-	1,395.12
As at April 2022	822.88	5.54	79.82	104.18	56.46	27.92	12.62	45.98	239.72	-	1,395.12
Addition	103.21	1.09	7.73	5.16	3.31	3.66	2.04	20.81	36.72	-	183.74
Deduction	16.83	-	2.29	67.82	6.91	(0.00)	-	55.40	-	-	149.24
As at March 2023	909.26	6.63	85.25	41.52	52.87	31.58	14.66	11.39	276.44	-	1,429.61
As at April 2023	909.26	6.63	85.25	41.52	52.87	31.58	14.66	11.39	276.44	-	1,429.61
Addition	111.06	1.33	7.62	2.86	3.11	3.85	2.35	11.26	36.72	-	180.17
Deduction	2.23	-	-	-	-	-	-	3.66	-	-	5.89
As at March 2024	1,018.09	7.96	92.87	44.38	55.98	35.43	17.01	19.00	313.16	-	1,603.90
As at April 2024	1,018.09	7.96	92.87	44.38	55.98	35.43	17.01	19.00	313.16	-	1,603.90
Addition	92.86	0.79	0.88	0.40	0.14	2.58	0.90	14.53	22.61	-	135.68
Deduction	-	-	7.11	-	-	-	-	-	-	-	7.11
As at September 2024	1,110.96	8.75	86.64	44.78	56.12	38.02	17.91	33.53	335.77	-	1,732.47
Net carrying amount											
As at March 2022	644.81	2.22	21.65	16.28	8.10	13.95	6.65	127.51	547.74	63.61	1,452.51
As at March 2023	713.16	2.17	14.66	8.14	4.46	13.21	8.10	53.74	511.02	63.61	1,392.27
As at March 2024	960.32	2.45	7.04	5.29	1.35	11.22	6.58	92.88	474.30	63.61	1,625.02
As at September 2024	1,231.88	2.28	6.51	4.89	1.21	9.12	7.04	78.34	453.12	63.61	1,857.99



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Annexure V - Notes to the Restated Financial Information

(Amounts in INR Lakh, unless otherwise stated)

K.2 Intangible Assets

Particulars	Computers Software	Total
Gross carrying amount		
As at April 2021	0.95	0.95
Addition	0.48	0.48
Deduction	-	-
As at March 2022	1.43	1.43
As at April 2022	1.43	1.43
Addition	0.65	0.65
Deduction	-	-
As at March 2023	2.08	2.08
As at April 2023	2.08	2.08
Addition	-	-
Deduction	-	-
As at March 2024	2.08	2.08
As at April 2024	2.08	2.08
Addition	-	-
Deduction	-	-
As at September 2024	2.08	2.08

Accumulated amortisation and impairment		
As at April 2021	0.02	0.02
Addition	0.39	0.39
Deduction	-	-
As at March 2022	0.40	0.40
As at April 2022	0.40	0.40
Addition	0.55	0.55
Deduction	-	-
As at March 2023	0.95	0.95
As at April 2023	0.95	0.95
Addition	0.68	0.68
Deduction	-	-
As at March 2024	1.63	1.63
As at April 2024	1.63	1.63
Addition	0.14	0.14
Deduction	-	-
As at September 2024	1.77	1.77
Net carrying amount		
As at March 2022	1.03	1.03
As at March 2023	1.13	1.13
As at March 2024	0.45	0.45
As at September 2024	0.31	0.31



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

K.3 Capital Work-in-progress

Particulars	Building	Total
Gross carrying amount		
As at April 2021	-	-
Addition	34.91	34.91
Deduction	-	-
As at March 2022	34.91	34.91
As at April 2022	34.91	34.91
Addition	2.65	2.65
Deduction	34.91	34.91
As at March 2023	2.65	2.65
As at April 2023	2.65	2.65
Addition	95.91	95.91
Deduction	-	-
As at March 2024	98.56	98.56
As at April 2024	98.56	98.56
Addition	31.27	31.27
Deduction	0.07	0.07
As at September 2024	129.76	129.76

K.3.1 CWIP ageing schedule

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Project in progress	102.89	26.86	-	129.76
Total	102.89	26.86	-	129.76



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

L Non-current investments

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Investment in Property	145.66	145.66	133.49	-
Investment in Equity Instruments				
Unquoted investments				
- 4000 Equity Shares of SVC Co. Op. Bank Face Value of Rs.25 each, fully paid-up	1.00	1.00	1.00	1.00
- 10323 Equity Shares of BMC Co. Op. Bank Face Value of Rs.10 each, fully paid-up	1.03	1.03	1.03	1.03
Quoted investments				
- 1839 Equity Shares of Larsen and Toubro Limited Face Value of Rs.2 each, fully paid-up Market Value: Rs 69.22 lakhs	-	65.55	-	-
- 250 Equity Shares of Elecon Engineering Co.Ltd Face Value of Rs.2 each, fully paid-up Market Value: Rs 2.37 lakhs	-	2.51	-	-
- 90 Equity Shares of Bajaj Auto Ltd Face Value of Rs.10 each, fully paid-up Market Value: Rs 8.23 lakhs	-	6.82	-	-
- 1450 Equity Share Ltd of NLC India Ltd Face Value of Rs.10 each, fully paid-up Market Value: Rs 4.10 Lakhs	4.27	-	-	-
Total	151.96	222.57	135.52	2.03

M Other non current assets

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Security deposits				
- Trade deposits	7.30	5.95	3.24	9.62
- Deposit with Government authorities	-	-	0.20	1.66
- Rent deposit	0.75	1.00	1.00	0.75
- Electricity deposit	51.09	51.09	37.02	30.65
- Earnest money deposit	15.34	11.75	11.75	32.55
- Less: Provision for doubtful deposits	-	(1.75)	-	-
	74.47	68.04	59.21	75.23
- Other Deposits	1.45	0.10	0.57	0.47
Others				
- Prepaid Expenses	0.07	2.09	0.19	0.25
- Fixed deposit with bank	1.46	1.42	1.32	1.27
Total	77.45	71.65	55.29	77.22

N Inventories

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Raw Materials	552.13	717.62	210.96	466.60
Finished Goods	437.45	152.49	385.18	570.66
Work in Process	40.66	34.11	10.55	46.66
Total	1,030.24	904.22	606.69	1,083.92

O Trade receivables

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Receivables outstanding for a period exceeding six months				
Unsecured, considered good	113.06	331.01	500.56	68.09
Doubtful	5.75	8.73	-	-
Other receivables				
Unsecured, considered good	1,946.19	1,736.71	1,143.16	1,240.60
Less: Allowance for Bad and Doubtful Debts	(5.81)	(8.73)	-	-
Total	2,059.18	2,067.72	1,643.72	1,308.69

O.1 Trade Receivables ageing schedule as at 30 September 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	1,946.19	52.48	59.27	1.31	-	2,059.25
Undisputed Trade Receivables- considered doubtful	-	-	-	-	5.75	5.75
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total	1,946.19	52.48	59.27	1.31	5.75	2,065.00
Undue - considered good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Less: Allowance for Bad and Doubtful Debts	-	-	-	(0.06)	(5.75)	(5.81)
Total	1,946.19	52.48	59.27	1.25	(0.00)	2,059.18



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

O.2 Trade Receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	1,736.71	222.64	106.60	1.25	0.52	2,067.72
Undisputed Trade Receivables- considered doubtful	-	-	0.07	-	8.66	8.73
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total	1,736.71	222.64	106.67	1.25	9.18	2,076.45
Undue - considered good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Less: Allowance for Bad and Doubtful Debts	-	-	(0.07)	-	(8.66)	(8.73)
Total	1,736.71	222.64	106.60	1.25	0.52	2,067.72

O.3 Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	1,143.16	446.18	28.71	17.36	8.31	1,643.72
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total	1,143.16	446.18	28.71	17.36	8.31	1,643.72
Undue - considered good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Less: Allowance for Bad and Doubtful Debts	-	-	-	-	-	-
Total	1,143.16	446.18	28.71	17.36	8.31	1,643.72

O.4 Trade Receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	1,240.63	34.33	15.42	3.47	14.84	1,308.69
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total	1,240.63	34.33	15.42	3.47	14.84	1,308.69
Undue - considered good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Less: Allowance for Bad and Doubtful Debts	-	-	-	-	-	-
Total	1,240.63	34.33	15.42	3.47	14.84	1,308.69

P Cash and cash equivalents

Particulars	As at	As at	As at	As at
	30 Sept 2024	31 March 2024	31 March 2023	31 March 2022
- Cash on hand	8.55	7.82	9.83	1.28
- Balances with banks				
HSBC Bank CC A/C	-	42.43	121.74	-
HSBC EFC A/C	46.32	41.65	17.72	0.42
State Bank of India	0.59	3.17	0.92	3.14
	55.47	95.07	150.21	4.84
- Deposits held as a margin money	0.55	0.55	0.28	0.28
- Deposit with bank with original maturity of more than 3 months but less than 12 months	-	-	151.34	-
Total	56.01	95.62	301.83	5.12

Q Short term loans and advances

Particulars	As at	As at	As at	As at
	30 Sept 2024	31 March 2024	31 March 2023	31 March 2022
Balances with Government Authorities				
- Advance Tax, TDS and TCS	-	-	-	-
- GST Receivable/ ITC Credit	42.36	8.32	29.75	40.39
- Excise/CVD/VAT Receivable/Refundable	-	-	-	12.35
Other loans and advances (Unsecured, considered good)				
- Advances to employees	3.01	5.46	2.65	1.40
- Advances to suppliers	146.27	109.05	169.80	83.34
Total	191.65	122.83	202.20	137.48

R Other current assets

Particulars	As at	As at	As at	As at
	30 Sept 2024	31 March 2024	31 March 2023	31 March 2022
Export Incentive Receivable	5.93	9.76	16.04	20.15
Accrued Interest	1.72	2.97	2.02	2.05
Prepaid Expenses	6.22	2.95	25.74	8.61
Other current assets	0.31	0.30	0.30	114.13
Total	14.18	15.98	44.10	144.94



S Revenue from operations

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	4,547.98	10,003.51	9,520.23	6,046.60
Add/(Less):				
Rate Difference, Freight Charges, Discounts, etc.	12.49	(31.05)	173.54	244.37
	4,560.47	9,972.46	9,693.77	6,290.97
Sale of Services	-	6.29	0.25	-
Total	4,560.47	9,978.75	9,694.02	6,290.97

T Other Income

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Export Incentives	13.58	31.98	37.88	34.56
Interest Income				
- Bank Deposit	0.05	9.50	1.40	1.37
- Security Deposit	1.72	3.30	1.30	1.26
- Other Interest Income	1.35	2.81	1.51	0.01
Others				
- Dividend Income	0.15	0.12	0.12	0.12
- Insurance Claim	-	-	6.52	121.37
- Rent Income	0.54	0.18	-	-
- Net Gain/(Loss) on foreign currency transactions and translation	12.22	20.12	60.73	25.64
- Gain on Property, Plant and Equipment's (Net)	2.40	0.39	-	1.15
- Deposit written off	-	47.25	-	-
- Miscellaneous Income	(0.20)	4.85	-	5.78
- Short term Capital Gains on shares	13.41	-	-	-
Total	45.23	120.50	109.46	191.26

U Cost of materials consumed

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Stock	717.62	210.96	466.60	396.90
Add: Purchases	3,443.85	6,890.34	6,212.51	4,907.31
	4,161.47	7,101.30	6,679.11	5,304.21
Less: Closing Stock	552.13	717.62	210.96	466.60
Total	3,609.34	6,383.68	6,468.15	4,837.61

U.1 Break up of consumption

Particulars	For the period ended 30 Sept 2024		For the year ended 31 March 2024	
	Value	%	Value	%
Raw materials/Components Consumables				
- Imported	124.99	3.46%	64.63	1.01%
- Indigenous	3,484.35	96.54%	6,319.05	98.99%
Total	3,609.34	100%	6,383.68	100%
Spare parts & Components				
- Imported	-	0.00%	-	0.00%
- Indigenous	-	0.00%	-	0.00%
Total	-	-	-	-

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Value	%	Value	%
Raw materials/Components Consumables				
- Imported	134.43	2.08%	191.24	3.95%
- Indigenous	6,333.72	97.92%	4,646.37	96.05%
Total	6,468.15	100%	4,837.61	100%
Spare parts & Components				
- Imported	-	0.00%	-	0.00%
- Indigenous	-	0.00%	-	0.00%
Total	-	-	-	-

U.2 Value of Import on CIF basis

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw Materials	127.35	69.24	129.12	193.99
Total	127.35	69.24	129.12	193.99
Purchase of Traded goods	-	-	-	-
Total	-	-	-	-



Royal Arc Electrodes Limited
 CIN: U31100MH1996PLC096296
 Annexure V - Notes to the Restated Financial Information
 (Amounts in INR Lakh, unless otherwise stated)

V Change in Inventories of work in progress, finished goods and stock in trade

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Inventories				
- Work - in - process	34.11	10.55	46.66	107.16
- Finished Goods	152.49	385.18	570.66	369.78
	186.60	395.73	617.32	476.94
Less: Closing Inventories				
- Work - in - process	40.66	34.11	10.55	46.66
- Finished Goods	437.45	152.49	385.18	570.66
	478.11	186.60	395.73	617.32
Total	(291.51)	209.13	221.59	(140.88)

V.1 Work in progress

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Opening stock				
WIP RM	34.11	10.55	46.66	107.16
Total	34.11	10.55	46.66	107.16
Closing stock				
WIP RM	40.66	34.11	10.55	46.66
Total	40.66	34.11	10.55	46.66

V.2 Sales and stock of finished goods and stock in trade (Items)

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Opening stock				
Abrasive Wheels	4.44	16.27	-	-
Electrodes Kgs	113.80	230.20	230.53	125.82
Electrodes Pcs	2.70	45.31	264.99	67.76
Flux Cored Wire	25.54	86.62	48.87	176.20
Tig Mig Wire	2.58	6.78	26.27	-
Saw Flux	0.01	-	-	-
Saw Wire	0.03	-	-	-
Electro Slag Welding	3.39	-	-	-
Total	152.49	385.18	570.66	369.78
Closing stock				
Abrasive Wheels	19.17	4.44	16.27	-
Electrodes Kgs	213.00	113.80	230.20	230.53
Electrodes Pcs	2.69	2.70	45.31	264.99
Flux Cored Wire	140.06	25.54	86.62	48.87
Tig Mig Wire	45.04	2.58	6.78	26.27
Saw Flux	14.44	0.01	-	-
Saw Wire	3.05	0.03	-	-
Electro Slag Welding	-	3.39	-	-
Total	437.45	152.49	385.18	570.66
Turnover				
Abrasive Wheels	-	16.41	12.19	5.39
Electrodes Kgs	1,860.17	3,303.42	2,883.89	1,996.63
Electrodes Pcs	-	670.41	941.65	1,307.84
Electro Slag Welding	12.33	6.63	0.01	-
Flux Cored Wire	2,095.37	5,074.77	4,833.88	2,336.86
Saw Flux	36.80	15.62	-	-
Tig Mig Wire	477.42	858.70	567.95	377.68
Packing Material	4.47	5.54	0.01	0.08
Powder	5.86	36.34	140.57	-
S.S Strip	-	0.15	-	-
M S Wire	-	-	140.08	20.13
Testing Equipment	-	-	-	1.99
Saw Wire	-	14.85	-	-
Electrodes_MTR	0.24	0.67	-	-
Electrodes_Num	10.76	-	-	-
Sale of Cutting wheels	8.40	-	-	-
Sale of Wire	36.15	-	-	-
Add/(Less):				
Rate Difference, Freight Charges, Discounts, etc.	12.49	(31.05)	173.54	244.37
Total	4,560.47	9,972.46	9,693.77	6,290.97



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

V.3 Turnover from manufacturing and trading activities

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Turnover from manufacturing and trading activities				
Particulars				
Turnover				
Manufacturing				
Electrodes Kgs	1,860.17	3,303.42	2,883.89	1,996.63
Electrodes Pcs	-	670.41	941.65	1,307.84
Electrodes_MTR	0.24	0.67	-	-
Electrodes_Num	10.76	-	-	-
Flux Cored Wire	2,095.37	5,074.77	4,833.88	2,336.86
Add/(Less):				
Rate Difference,Freight Charges,Discounts, etc.	12.49	(31.05)	173.54	244.37
	3,979.04	9,018.22	8,832.96	5,885.70
Trading				
Abrasive Wheels	-	16.41	12.19	5.39
Electrodes Kgs	-	-	-	-
Electro Slag Welding	12.33	6.63	0.01	-
Saw Flux	36.80	15.62	-	-
Tig Mig Wire	477.42	858.70	567.95	377.68
Packing Material	4.47	5.54	0.01	0.08
Powder	5.86	36.34	140.57	-
S.S STRIP	-	0.15	-	-
M.S Wire	-	-	140.08	20.13
Testing Equipment	-	-	-	1.99
Saw Wire	-	14.85	-	-
Sale of cutting Wheels	8.40	-	-	-
Sale of Wire	36.15	-	-	-
	581.43	954.24	860.80	405.27
Total	4,560.47	9,972.46	9,693.77	6,290.97

W Employee Benefit Expenses

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	325.14	720.13	643.34	384.42
Contribution to provident and other funds	7.72	14.40	10.91	9.86
Gratuity Expenses	17.12	21.02	13.07	12.99
Leave encashment Expenses	(3.01)	1.49	7.31	0.99
Staff welfare expenses	5.06	16.53	17.03	14.54
Total	352.04	773.57	691.66	422.80

W.1 Defined benefit plan – gratuity: In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

W.2 Defined benefit plan – Leave encashment: In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

X Finance costs

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest Expenses	3.22	5.01	52.73	92.28
Other borrowing costs	-	-	-	-
-Bank Charges	3.09	4.88	8.11	5.25
Total	6.31	9.89	60.84	97.53

Y Depreciation and amortization expenses

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation	135.68	180.17	183.74	177.09
Amortization	0.14	0.68	0.55	0.39
Total	135.82	180.85	184.29	177.48



Z Other expenses

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Clearing & Forwarding Charges	6.26	39.82	22.49	21.90
Electricity Expenses - Factory	81.02	187.42	169.88	124.94
Spares, Tools & Consumables	36.10	52.07	53.64	50.54
Power and Fuel	2.73	5.26	9.01	13.68
Packing and Forwarding	6.06	2.26	6.55	1.38
Transport Charges	81.91	152.40	203.34	295.00
Labour Charges	3.73	7.75	3.93	6.51
Repairs and Maintenance related to - Others	17.94	44.19	41.60	58.85
Brokerage and commission	0.29	34.65	63.52	21.97
Auditor's Remuneration	10.00	6.75	6.25	5.00
Rent on Machinery	0.34	1.26	1.37	1.44
Rent-Others	8.01	15.58	14.25	12.58
Rates & Taxes	4.69	4.80	0.03	2.17
Legal & professional Charges	30.35	93.11	60.33	63.84
Insurance Expenses	3.70	9.24	7.53	7.87
Travelling & conveyance	16.60	50.92	34.33	20.33
Bad debts	-	18.74	-	12.46
Sundry Balance Written off (Net)	-	-	-	-
Donation Expenses	0.25	0.37	1.37	-
Electricity Expenses-Office	1.20	1.92	1.63	1.21
Telephone & Internet Expenses	1.03	2.41	1.69	1.58
Loading-Unloading Charges	-	10.35	11.39	0.91
Printing & Stationery Expenses	0.84	2.37	0.80	0.41
Refreshment Expenses	0.25	0.46	0.42	0.35
Postage & Courier Expenses	1.11	3.35	2.77	2.31
Software Expenses	0.24	0.33	0.30	0.25
Vehicle Expenses	0.22	0.86	1.09	2.08
Advertisement & Marketing Expenses	2.76	9.02	16.23	2.65
Testing & Inspection Charges	11.24	25.21	20.48	14.02
Loss on sale of fixed assets	-	-	25.56	-
Loss on Sale of MEIS Licenses / Written off	-	-	0.23	7.99
Registration & Renewal charges	5.66	0.50	5.45	0.78
VAT Expenses	-	-	8.00	-
Late Delivery Charges	0.91	0.66	3.68	1.46
Membership & Subscription Charges	1.03	1.58	1.18	0.93
Security Expenses	6.08	11.33	9.02	9.17
Business Promotion Expenses	3.72	11.77	14.61	8.45
Sundry Office and Factory Expenses	8.05	20.21	20.70	18.58
CSR Expenditure	6.36	21.84	12.26	-
Placement & Recruitment Charges	0.15	0.63	1.17	0.81
Provision for doubtful debts	-	1.75	-	-
Provision for doubtful debts	(2.75)	8.73	-	-
Exhibition Expenses	7.65	41.84	4.57	12.03
Miscellaneous Expenses	1.53	12.55	8.96	-
Total	367.26	916.26	871.61	806.43

AA Tax Expenses

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax				
- Current tax expenses	116.19	425.25	365.12	86.04
- Excess/Short Provision Written back/off	-	5.29	4.84	0.71
	116.19	430.54	369.96	86.75
Deferred tax				
- Deferred tax (income)/Expenses	(7.25)	2.70	(21.44)	(18.12)
	(7.25)	2.70	(21.44)	(18.12)
Total	108.93	433.24	348.52	68.63

AA.1 Significant components of Deferred Tax charged during the year

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Difference between book depreciation and tax depreciation	3.43	(7.28)	16.76	7.45
Expenses provided but allowable in Income tax on Payment basis	3.82	4.58	4.68	10.67
Total	7.25	(2.70)	21.44	18.12



AB Earning per share

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Restated profit attributable to equity shareholders (Rs)	317	1,193	957	212
Weighted average number of equity shares	93	93	93	93
Restated Earnings per share basic (Rs)	3.41	12.82	10.29	2.28
Restated Earnings per share diluted (Rs)	3.41	12.82	10.29	2.28
Face value per equity share (Rs)	10	10	10	10

AC Auditors' Remuneration

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Payments to auditor as				
- Audit matters	10	5.50	5.00	4.00
- Taxation matters		1.25	1.25	1.00
Total	10	6.75	6.25	5.00

AD Contingent Liabilities and Commitments

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Contingent liabilities				
- Contingent liabilities on account of pending litigations	130.25	130.25	130.25	141.42
Total	130.25	130.25	130.25	141.42

*The Company has received a notice under clause (b) of Section 148A of the Income Tax Act, 1961 for AY 2020-21 with the liability amount not being ascertainable.

*The Company has received a Show Cause Notice under Section 73(5) of the Central Goods and Services Tax Act, 2017 for FY 2019-20 involving Rs. 33.46 lakhs. The proceedings are currently on-going and the liability amount has not been ascertained till date.

*The Company has received another intimation under Section 73(5) of the Central Goods and Services Tax Act, 2017 for FY 2020-21 involving Rs. 0.73 lakhs. The proceedings are currently on-going and the liability amount has not been ascertained till date.

*The Company has received notice for completing the Tax Assessment of Local Body Taxes of the past years. The proceedings are currently on-going and the liability amount has not been ascertained till date.

AE Earnings in Foreign Currencies

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Export of Goods	665.83	1,436.01	1,712.11	1,684.71
Export of Services	-	5.29	0.25	-
Total	665.83	1,441.30	1,712.36	1,684.71

AF Expenditure in foreign currency

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Exhibition Expenses	-	5.79	21.10	-
Bank Charges	1.31	2.07	2.76	2.39
Registration & Renewal Charges	-	0.07	3.36	-
Miscellaneous Expenses	-	-	0.10	-
Repairs & Maintenance	-	-	1.21	-
Commission Expenses	-	2.19	-	-
Travelling Expenses	2.86	6.04	3.26	-
Total	4.17	16.16	31.79	2.39

AG Disclosure of liability of gratuity and compensated absences

1. **Defined benefit plan – gratuity:**
 In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

2. **Defined benefit plan – leave encashment:**
 In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method. The detail of same as follows:

The details of the above are as follows:

i) Membership data

Particulars	As at 30 September 2024		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)
Number of employees	146	146	120.00	120.00	129.00	129.00	133.00
Total Monthly Salary (Rs. In lakhs)	36.40	36.40	27.97	27.97	24.51	24.51	24.59
Average age (in Years)	33.75	33.75	34.56	34.56	33.07	33.07	33.21
Average past service (in years)	4.36	4.36	3.34	3.34	3.22	3.22	3.13
Average Future Service (in Years)	24.35	24.35	23.56	23.44	25.09	25.09	24.99

ii) Actuarial Assumptions:

Particulars	As at 30 September 2024		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)
Discount rate (per annum)	6.80%	6.80%	7.20%	7.20%	7.30%	7.30%	6.10%
Salary growth rate (per annum)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Withdrawal rate (per annum) age band							
25 & Below	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
25 to 35	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
35 to 45	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
45 to 55	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
55 & above	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Mortality Rates (per annum) age in year							
20	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
30	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
40	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
50	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
60	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%

Note:

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market



iii) Statement showing changes in present value of obligations during the year:

Particulars	As at 30 September 2024		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)
Present value of obligation as at the beginning of year	64.68	6.91	52.23	6.35	40.63	-	32.67
Interest cost	1.87	0.22	3.12	0.40	2.14	-	1.63
Past service cost	-	-	-	-	-	-	-
Current service cost	6.38	0.50	10.48	1.28	9.94	7.31	9.05
Benefit Paid	(2.35)	(0.65)	(8.57)	(0.94)	(1.48)	(0.96)	(3.86)
Actuarial (gain)/loss on obligations	8.87	(3.72)	7.42	(0.18)	1.00	-	1.14
Present value of obligation at the end of the year	79.46	3.24	64.68	6.91	52.23	6.35	40.63

iv) Actuarial gain/loss recognized for the year:

Particulars	As at 30 Sept 2024		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)
Actuarial (gain)/loss for the period - recognized	8.87	(3.72)	7.42	(0.18)	1.00	-	1.14
Actuarial (gain)/loss for the period - unrecognized	-	-	-	-	-	-	-

v) Amount to be recognized in balance sheet:

Particulars	As at 30 September 2024		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)
Present value of obligation	79.46	3.24	64.68	6.91	52.23	6.35	40.63
Funded status	-	-	-	-	-	-	-
Net Liability recognized in balance sheet	79.46	3.24	64.68	6.91	52.23	6.35	40.63
Long term provision	49.53	2.59	39.38	5.07	32.42	4.50	29.58
Short term provision	29.93	0.66	25.30	1.84	19.81	1.85	11.05

vi) Expenses recognized in the statement of profit and loss:

Particulars	As at 30 September 2024		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)
Current service cost	6.38	0.50	10.48	1.28	9.94	7.31	9.05
Present value of obligation as at the end of the year	79.46	3.24	64.68	6.91	52.23	6.35	40.63
Fair value of planned asset as at the end of the year	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-	-
Interest cost	1.87	0.22	3.12	0.40	2.14	-	1.63
Expected return on planned assets	-	-	-	-	-	-	-
Net actuarial (gain)/loss recognized	8.87	(3.72)	7.42	(0.18)	1.00	-	1.14
Expenses recognized in the statement of profit and loss	17.12	(3.01)	21.02	1.49	13.07	7.31	11.82

AH Value of imported and indigenous raw materials, spare parts and components consumed

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw Materials:				
- Imported		124.99	64.63	134.43
- Indigenous		3,484.35	6,319.05	6,333.72
Spare parts and components				
- Imported		-	-	-
- Indigenous		-	-	-
Capital Goods				
- Imported		281.15	235.59	157.43
- Indigenous		87.49	180.23	76.76
Capital WIP		31.27	95.91	2.65
Total		4,009.26	6,895.41	6,704.99



A1 Related Party Disclosure

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the parties as defined in the accounting standard.

(i) List of Related Parties

Particulars	Relationship
Bipin Sanghvi	Director
Tarulata B Sanghvi	Relative of Directors
Hardik Sanghvi	Director
Ami H. Sanghvi	Relative of Directors
Swagat Sanghvi	Director
Mansi Bagadiya	Key Manegrial Personnel
Pooja S. Sanghvi	Relative of Directors
Royal Arc Infrastructure Pvt Ltd	Associate Entity
Star Impex (Upto Dec-23)	Associate Entity
Pee kay Enterprises (Upto March-22)	Associate Entity

(ii) Related Party Transactions

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary / Remuneration (incl. Bonus)				
Bipin Shantilal Sanghvi	37.89	125.77	100.07	30.85
Hardik Bipin Sanghvi	37.68	125.77	100.07	30.85
Ami Hardik Sanghvi	-	-	13.17	5.54
Swagat Bipin Sanghvi	37.68	125.77	100.07	30.85
Mansi Bagadiya	1.77	0.45	-	-
Pooja Swagat Sanghvi	-	-	13.17	5.54
Loan given during the year	115.02	377.74	326.55	103.63
Bipin Shantilal Sanghvi	-	-	727.62	547.10
Loan received back during the year			727.62	547.10
Bipin Shantilal Sanghvi	-	-	727.62	630.98
Loan taken during the year			727.62	630.98
Bipin Shantilal Sanghvi	-	33.03	4.04	24.29
Hardik Bipin Sanghvi	-	4.95	76.88	152.50
Swagat Bipin Sanghvi	4.00	6.01	155.10	375.30
Loan repaid during the year	4.00	43.99	236.02	552.09
Bipin Shantilal Sanghvi	0.03	28.01	22.88	24.29
Hardik Bipin Sanghvi	0.98	9.90	67.33	202.48
Swagat Bipin Sanghvi	2.95	1.19	155.28	545.04
Rent Expense	3.97	39.09	245.49	771.81
Bipin Shantilal Sanghvi	7.14	11.40	6.80	6.00
Investment in Property	7.14	11.40	6.80	6.00
Royal Arc Infrastructure Private Limited	-	12.17	127.88	-
Trademark Purchase			12.17	127.88
Tarulata Bipin Sanghvi	-	-	-	0.10
Purchase of Goods				0.10
Star Impex (Up to Dec-23)	-	793.86	360.76	301.32
Sales of Goods		793.86	360.76	301.32
Star Impex (Up to Dec-23)	-	36.34	139.98	-
Pee kay Enterprises	-	-	-	3.99
	-	36.34	139.98	3.99

(iii) Related Party Balances

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Loans Outstanding				
Bipin Shantilal Sanghvi	3.04	3.07	4.04	24.29
Hardik Bipin Sanghvi	4.08	5.06	10.01	0.46
Swagat Bipin Sanghvi	5.96	4.91	0.09	0.27
	13.07	13.04	14.14	25.03
Advance to supplier				
Star Impex	-	-	-	42.48
Due from supplier				42.48
Star Impex (Upto Dec - 23)	-	4.59	-	-
	-	4.59	-	-
Rent Outstanding				
Bipin Shantilal Sanghvi	0	0.86	0.81	-
		0.86	0.81	-
Salary Outstanding				
Bipin Shantilal Sanghvi	4.36	3.61	2.84	1.81
Hardik Bipin Sanghvi	4.35	3.71	2.84	1.78
Ami Hardik Sanghvi	-	-	0.90	0.43
Swagat Bipin Sanghvi	4.35	3.71	2.84	1.78
Pooja Swagat Sanghvi	-	-	0.90	0.43
	13.06	11.03	10.32	6.23



Royal Arc Electrodes Limited
 CIN: U31100MH1996PLC096296
 Annexure V - Notes to the Restated Financial Information
 (Amounts in INR Lakh, unless otherwise stated)

AJ MSME

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

Particulars	As at	As at	As at	As at
	30 Sept 2024	31 March 2024	31 March 2023	31 March 2022
a) The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting period				
- Principle amount	221.51	350.86	258.97	-
- Interest due thereon				
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting period;				
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;				
d) The amount of interest accrued and remaining unpaid at the end of each accounting period; and				
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.				
Total	221.51	350.86	258.97	-

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 received intimation from few 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 accurately 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. The details of MSME classification for FY 2021-22 are not available.



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

- AK Segment reporting**
The Company is engaged in one segment only i.e. hence there are no separate reportable segments.
- AL Title deed of immovable property not held in the name of company**
The company holds all the title deeds of immovable property in its name.
- AM Benami property**
The company does not have any Benami property, where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- AN Security of Current Assets Against Borrowings**
The company has filed monthly returns or statements of current assets with Banks for borrowing facility against the security of the current assets from banks.
- AO Wilful defaulter**
The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- AP Transactions with struck off companies**
The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
- AQ Registration of charges or satisfaction with Registrar of Companies**
The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- AR Scheme of Arrangements**
There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- AS Utilisation of Borrowed funds and share premium:**
- The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- AT Undisclosed income**
The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the years in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme.
- AU Compliance with number of layers of companies**
The Company does not have any subsidiaries therefore disclosure of compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.
- AV Disclosure pertaining to 'details of crypto currency or virtual currency**
The company has not traded or invested in Crypto currency or Virtual Currency during the reporting periods
- AW Revaluation of PPE and Intangible assets**
The company has not revalued its Property, Plant and Equipment and Intangible assets during the reporting periods. The disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- AX Disclosure pertaining to 'corporate social responsibility activities'**
In terms of section 135 and Schedule VII of the Companies Act, 2013, our Board of Directors have constituted CSR Committee, which has developed a CSR policy by way of which our Company will strive to meet our commitment towards the community by committing our resources and energies to social development. Our focus areas include education, environment, health and sports promotion.
- AY Disclosure pertaining to Loans granted to Promoters, Directors, KMP's and related parties**
No Loans or advances are granted to promoters, directors, KMP's and related parties, it complies with Section 184 of Companies Act, 2013



AZ. Ratio analysis and its elements
 AZ.1 Ratio

Particulars	30 September 2024	31 March 2024	31 March 2023	31 March 2022	% change from March 31, 2024 to Sept-30, 2024	% change from March 31, 2023 to March 31, 2024	% change from March 31, 2022 to March 31, 2023
Current Ratio	3.82	3.77	2.51	1.49	1.28%	50.05%	68.29%
Debt-Equity Ratio	0.04	0.00	0.05	0.38	855.36%	-90.01%	-87.58%
Debt Service Coverage Ratio	137.56	218.64	15.24	5.39	-37.09%	1334.55%	182.50%
Return on Equity Ratio	7.24%	32.85%	37.43%	10.70%	-77.96%	-12.25%	249.78%
Inventory Turnover Ratio	3.43	8.73	7.91	4.80	-60.69%	10.27%	64.92%
Trade Receivables Turnover Ratio	2.21	5.38	6.57	5.30	-58.90%	-18.11%	23.88%
Trade Payables Turnover Ratio	6.91	10.46	6.90	5.38	-33.91%	51.68%	28.19%
Net Capital Turnover Ratio	1.89	4.94	7.54	7.37	-61.76%	-34.53%	2.41%
Net Profit Ratio	6.96%	11.95%	9.87%	3.37%	-41.75%	21.09%	192.72%
Return on Capital Employed	8.92%	37.73%	41.81%	12.63%	-76.35%	-9.75%	230.92%
Return on Investment	9.28%	0.13%	0.09%	5.90%	6785.35%	52.22%	-98.50%

AZ.2 Elements of Ratio

Particulars	Numerator/Denominator	30 September 2024	31 March 2024	31 March 2023	31 March 2022
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	3,351.26	3,206.37	2,796.54	2,680.15
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Equity}}$	202.47	19.71	141.71	781.25
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Interest + Instalments}}$	4,544.68	4,227.18	3,034.56	2,077.74
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	317.50	1,192.63	956.82	212.13
(e) Inventory Turnover Ratio	$\frac{\text{COGS}}{\text{Average Inventories}}$	4,385.93	3,630.87	2,556.15	1,982.18
(f) Trade Receivables Turnover Ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	3,317.83	6,592.81	6,689.74	4,697.23
(g) Trade Payables Turnover Ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	967.23	755.45	845.30	978.88
(h) Net Capital Turnover Ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	4,560.47	9,978.75	9,694.02	6,290.97
(i) Net Profit Ratio	$\frac{\text{Net Profit after tax}}{\text{Total Turnover}}$	2,063.45	1,855.72	1,476.20	1,186.75
(j) Return on Capital Employed	$\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$	3,443.85	6,890.34	6,212.51	4,907.31
(k) Return on Investment	$\frac{\text{Return on Investment}}{\text{Total Investment}}$	498.05	658.58	900.64	912.01
		4,560.47	9,978.75	9,694.02	6,290.97
		2,414.84	2,020.42	1,285.04	854.01
		317.50	1,192.63	956.82	212.13
		4,560.47	9,978.75	9,694.02	6,290.97
		429.66	1,630.88	1,358.07	373.03
		4,815.55	4,322.40	3,248.39	2,952.67
		14.10	0.30	0.12	0.12
		151.96	222.57	135.52	2.03



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

BA Disputed Statutory Dues Payable

(Rs. In lakhs)

Name of the Statute	Nature of Dues	Disputed Amount (net of appeal deposits) (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax	VAT	130.25	FY 2004-05	Maharashtra Sales Tax Tribunal

Balance of Debtors, Creditors and Loans & Advances are subject to Confirmation and hence subject to adjustments, if any, arising out of reconciliation.

BB

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.

BC

BD

Closing Stock has been taken, valued and certified by the Directors.

BE

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.

BF

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.

BG

The previous year figures have been accordingly regrouped / re-classified to comparable to the current year's classification.

During the year, the management has carried out the reconciliations of deposits paid and received which were lying in the balance sheet as at the beginning of the year.

Based on the said reconciliations, the management has identified the balances of some deposits that are not recoverable or payable and has written off the said balances

BH

in the books of accounts. The net written-off amounts are disclosed as "Other Income" in the Financial Statements.

The company has allotted bonus shares on February 1, 2024 in the ratio of 411:100 of Rs. 10 each held in the company on the record date. The Basic and Diluted Earnings

BI

Per Share (EPS) has been calculated for the current year and previous year after taking into account the bonus issue as required by AS-20 "Earnings Per Share".



Royal Arc Electrodes Limited
 CIN: U31100MH1996PLC096296
 Annexure V - Notes to the Restated Financial Information
 (Amounts in INR Lakh, unless otherwise stated)

Particulars	Restated Statement Of CSR Expenditure			
	30 September 2024	31 March 2024	31 March 2023	31 March 2022
Amount required to be spent by the company during the year (A)	21.84	12.26	-	-
Provision made during the year (B)	6.35	21.84	12.26	-
Amount of expenditure incurred during the year (C)	(21.85)	(12.26)	-	-
Shortfall at the end of the year (D) = (A) + (C)	-	-	-	-
Previous years shortfall (E)	-	-	-	-
Provision (shortfall) outstanding at end of the year (F)=(B)+(D)+(E)	6.35	21.84	12.26	-
Reason for amount outstanding at end of the year (Refer Sub Note 1)	NA	NA	NA	NA
Nature of CSR Activities	Note 2	Note 2	Note 2	NA

Disclosure of Corporate Social Responsibility (CSR) expenditure in line with the requirement with Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities".

Sub Note 1: CSR provision has been made during the year which is spent in the subsequent year

Sub Note 2: Nature of CSR Activities:
 FY 2024-25: (As on 30 Sept 2024)

The area for CSR activities are 1) Upliftment of Eco -Socio backward Society by providing Health Education and Self-Employment and also intends to undertake the Housing Project wherein it is proposed to provide affordable housing to those who are Blind, Handicapped, Deaf, Widow, Divorcee, Helpless Women, Mentally Challenged, Orphans, Cancer, Dialysis, kidney Patients, Heart Disease Patients, HIV Patients, Homosexual and the people below poverty line.



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure V - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

BK Capitalisation statement:

The following table sets forth our Company's capitalisation as at September 30, 2024, derived from our Restated Financial Statements, and as adjusted for the Offer.

Particulars	Pre Offer as at 30 September 2024	As adjusted for the proposed Offer
Borrowings		
Non-current borrowings(I)		*
Total current borrowings (II)	202.47	*
Total Borrowings (I) + (II) = (A)	202.47	*
Equity		
Equity Share Capital	930.02	*
Reserve and Surplus - as restated	3,614.66	*
Total Equity (B)	4,544.68	*
Non-current borrowings/Equity (in times)	0.0000	*
Total borrowings/Equity (in times)	0.0446	*

Note:

* The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the

book building process and hence has not been furnished. To be updated upon finalization of the Offer Price.

1. Short term Debts represent which are expected to be paid/ payable within 12 Months
2. Long term Debts represent debts other than Short Debts as defined above.



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure VI - Other financial information
(Amounts in INR Lakh, unless otherwise stated)

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Restated profit attributable to equity shareholders (₹) (A)	317.50	1,192.63	956.82	212.13
Weighted average number of equity shares in calculating basic EPS (B)	93	93	93	93
Weighted average number of equity shares in calculating diluted EPS (C)	93	93	93	93
Basic earnings per share (₹ per share) (D=A/B)	3.41	12.82	10.29	2.28
Diluted earnings per share (₹ per share) (E=A/C)	3.41	12.82	10.29	2.28
Net worth (A)	4,544.68	4,227.18	3,034.56	2,077.74
Restated profit attributable to shareholders (B)	0.00	0.01	0.01	0.00
Restated Return on net worth (%) (C=B/A)	0.00%	0.00%	0.00%	0.00%
Net Assets (₹) (A)	4,545	4,227	3,035	2,078
Number of equity shares outstanding at the end of the year (B)	93	93	93	93
Restated Net asset value per share (C=A/B)	48.87	45.45	32.63	22.34
Restated profit for the year (A)	317.50	1,192.63	956.82	212.13
Restated profit for the year from discontinued operation (B)	-	-	-	-
Restated profit for the year from continuing operations (C=A-B)	317.50	1,192.63	956.82	212.13
Total tax expenses (D)	108.93	433.24	348.52	68.63
Exceptional items (E)	-	-	-	-
Finance costs (F)	3.22	5.01	52.73	92.28
Depreciation and amortization expense (G)	135.82	180.85	184.29	177.48
EBITDA (I=C+D+E+F+G)	565.47	1,811.72	1,542.35	550.51
Share based payment expense (J)	-	-	-	-
EBITDA (K=I+J)	565.47	1,811.72	1,542.35	550.51

Notes:

a) Net worth is derived as below

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Share capital	930.02	930.02	182.00	182.00
Reserves and Surplus	3,614.66	3,297.16	2,852.56	1,895.74
Retained Earnings	-	-	-	-
Net worth	4,544.68	4,227.18	3,034.56	2,077.74

b) The ratios on the basis of Restated Financial Information have been computed as below

Basic Earnings per share (₹)	=	$\frac{\text{Restated Net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company}}{\text{Weighted average number of Equity Shares outstanding during the year/period post sub-division/bonus}}$
Diluted Earnings per share (₹)	=	$\frac{\text{Restated Net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company}}{\text{Weighted average number of Equity Shares outstanding during the year/period adjusted for the effects of all dilutive potential Equity shares post sub-division/bonus}}$
Return on Net Worth (%)	=	$\frac{\text{Restated net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company}}{\text{Restated total equity attributable to equity holders}}$
Net asset value per Equity Share	=	$\frac{\text{Restated Total equity attributable to equity holders}}{\text{Weighted Average Number of equity shares outstanding during the year/ period post sub-division/bonus}}$
Net Assets	=	Total assets less total liabilities
EBITDA	=	Restated profit/(loss) for the respective year/period + total tax expenses + exceptional items + finance costs + depreciation and amortisation



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296
Annexure VII - Statement of Adjustments to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

Summarised below are the restatement adjustments made to equity as at 30 September 2024, as at 31 March 2024, as at March 31, 2023, and March 31, 2022, their consequential impact on the equity of the Company:

Particulars	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Total Equity as per Audited Financial Statements	3,614.66	4,230.87	3,068.33	2,098.75
<u>Restatement adjustments</u>				
Compliance of Accounting Standard - 15	-	-	58.58	40.63
Reclassification from Expense to Deposit	-	-	(6.37)	(6.37)
Gratuity Fund Balances unaccounted in earlier years	-	-	1.14	1.15
Derecognition of Asset (Accounting Standard - 10)	-	-	(8.27)	(7.35)
Tax Adjustments	-	3.68	(11.31)	(7.05)
Total impact of adjustments	-	3.68	33.77	21.01
Total Equity as per Restated Financial Information	3,614.66	4,227.19	3,034.56	2,077.74
Total	3,614.66	4,227.19	3,034.56	2,077.74

Summarised below are the restatement adjustments made to the net profit after tax for the years ended 31 March 2024, March 31, 2023, and March 31, 2022, their impact on the profit / (loss) of the Company:

Particulars	For the period ended 30 Sept 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit after tax as per Audited Financial Statements	313.80	1,212.82	969.55	212.12
<u>Restatement adjustments</u>				
<u>Compliance of Accounting Standard - 15</u>				
(Increase)/decrease in expenses	-	-	(17.95)	(7.97)
Employee benefit expenses	-	-	(17.95)	(7.97)
Reclassification from Expense to Deposit	-	(6.37)	-	-
Gratuity Fund Balances unaccounted in earlier years	-	1.14	0.01	0.01
Derecognition of Asset (Accounting Standard - 10)	-	-	0.92	0.92
Restated profit before tax	313.80	1,207.59	952.53	205.08
Tax adjustments	3.70	(14.96)	(4.29)	(7.05)
Profit after tax as per Restated financial information	317.50	1,192.63	956.82	212.13
Total	317.50	1,222.55	956.82	212.13

Notes to adjustments:

Note 1:

Audit qualifications - There are no audit qualifications in auditor's report for the half year ended 30 September, 2024, financial years ended 31 March, 2024, March 31, 2023, and March 31, 2022.

Note 2:

Material regrouping/reclassification - Appropriate regrouping/reclassification have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the year ended 31 March, 2024. Audited financial statements prepared in accordance with Schedule III of the Act, applicable AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Note 3:

Compliance of Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the defined benefit plans using projected unit credit method for the half year ended 30 September, 2024 and years ended 31 March, 2024, March 31, 2023 and March 31, 2022 and liability and employee benefit expenses adjusted accordingly.

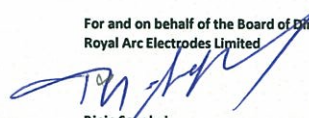
As per our report of even date attached
For, J. H. Gandhi & Co
Chartered Accountants
FRN/0116513W


Jasmith H. Gandhi
Proprietor
M. No.: 044844
UDIN: 24044844BKDANZ4090

Place: Mumbai
Date: 09/12/2024



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


Bipin Sanghvi
Managing Director
DIN No.: 00462839


Swagat Sanghvi
Whole-time director
DIN No.: 01695341


Hardik Sanghvi
Chief Financial Officer


Mansi Bagadiya
Company Secretary
M. No.: A56143

Place: Mumbai
Date: 09/12/2024