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QR code to view RHP

Royal Arc ROYAL ARC ELECTRODES LIMITED

Corporate Identity Number: U31100MH1996PLC096296

Our Company was incorporated in Mumbai, Maharashtra, as a "Royalarc Electrodes Private Limited", a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated January 15, 1996, issued by the Additional Registrar of Companies, Maharashtra. Thereafter, our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders at the Extraordinary General Meeting held on March 09, 2005, and consequent upon conversion, the name of our Company was changed to "Royalarc Electrodes Limited" and a certificate of change of name dated March 31, 2005, issued by Registrar of Companies, Maharashtra, Mumbai. Subsequently, the name of our Company was changed to "Royal Arc Electrodes Limited" pursuant to the special resolution passed by the Shareholders of our Company at the Extra-Ordinary General Meeting held on May 29, 2023. The Registrar of Companies, Maharashtra, Mumbai issued a fresh certificate of incorporation dated June 16, 2023, upon change of the name of the Company. For further details, please refer to the chapter titled "History and Certain Corporate Matters" beginning on page 176 of the Red Herring Prospectus.

Registered Office: 72 B, Bombay Talkies Compound, S.V. Road Malad West, Mumbai, Maharashtra, India, 400064 | Telephone: +91 78880 00553 | Email Id: cs@royalarc.in | Website: <https://royalarc.in/>
Contact Person: Mansi Bagadiya, Company Secretary & Compliance Officer

THE PROMOTERS OF THE COMPANY ARE : BIPIN SANGHVI, TARULATA SANGHVI, HARDIK SANGHVI AND SWAGAT SANGHVI

THE OFFER IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATION (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON NSE EMERGE.

THE OFFER

INITIAL PUBLIC OFFER OF UPTO 30,00,000* EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF ROYAL ARC ELECTRODES LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [-] PER EQUITY SHARE (THE "OFFER PRICE"), (INCLUDING A PREMIUM OF ₹ [-] PER EQUITY SHARE), AGGREGATING UPTO ₹ [-] LAKHS ("THE OFFER"), COMPRISING A FRESH ISSUE OF UP TO 18,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [-] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 12,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [-] LAKHS BY SELLING SHAREHOLDERS (AS DEFINED BELOW), COMPRISING AN OFFER FOR SALE OF UPTO 3,33,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [-] LAKHS BY HARDIK SANGHVI, 3,33,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [-] LAKHS BY SWAGAT SANGHVI, 1,71,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [-] LAKHS BY BIPIN SANGHVI, 1,23,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [-] LAKHS BY TARULATA SANGHVI ("PROMOTER SELLING SHAREHOLDER") AND AN OFFER FOR SALE OF UPTO 1,20,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [-] LAKHS BY POOJA SANGHVI, AND OF UPTO 1,20,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [-] LAKHS BY AMI SANGHVI ("PROMOTER GROUP SELLING SHAREHOLDER") (TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, "SELLING SHAREHOLDER" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE 1,53,600 EQUITY SHARES OF FACE VALUE OF ₹ 10/- FOR CASH AT A PRICE OF ₹ [-] EACH AGGREGATING ₹ [-] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF 28,46,400 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ [-] PER EQUITY SHARE, AGGREGATING TO ₹ [-] LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE 27.03 % AND 25.64 % RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE OFFER" BEGINNING ON PAGE NO 279 OF THE RED HERRING PROSPECTUS.

*SUBJECT TO FINALISATION OF BASIS OF ALLOTMENT

Our Company

We are engaged in the business of manufacturing of welding electrodes, flux cored wires, MIG/TIG wires. We are capable of manufacturing both standardized as well as customized products. Further, our Company is also engaged in the business of trading of ancillary/incidental products like abrasive wheels, welding flux, saw wire, saw flux, and special TIG /MIG. We supply our products to domestic customers and export customers

DETAILS OF THE SELLING SHAREHOLDER, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME	TYPE	NUMBER OF SHARES OFFERED (Face value ₹ 10 each) / AMOUNT (₹ IN LAKHS)	WEIGHTAGE AVERAGE COST OF ACQUISITION PER EQUITY SHARES (IN ₹)*
Bipin Sanghvi	Promoter Selling Shareholder	Up to 1,71,000 Equity Shares aggregating up to ₹ [-] Lakhs	1.67
Tarulata Sanghvi	Promoter Selling Shareholder	Up to 1,23,000 Equity Shares aggregating up to ₹ [-] Lakhs	18.93
Hardik Sanghvi	Promoter Selling Shareholder	Up to 3,33,000 Equity Shares aggregating up to ₹ [-] Lakhs	13.56
Swagat Sanghvi	Promoter Selling Shareholder	Up to 3,33,000 Equity Shares aggregating up to ₹ [-] Lakhs	8.58
Pooja Sanghvi	Promoter Group Selling Shareholders	Up to 1,20,000 Equity Shares aggregating up to ₹ [-] Lakhs	22.50
Ami Sanghvi	Promoter Group Selling g Shareholders	Up to 1,20,000 Equity Shares aggregating up to ₹ [-] Lakhs	1.28

*As certified by J. H. Gandhi & Co, Chartered Accountants, by way of their certificate dated February 08, 2025

The offer is being made in accordance with Regulations 229(2) of the SEBI ICDR Regulations.

- (A) QIB CATEGORY: NOT MORE THAN 50% OF THE NET OFFER
(B) NON INSTITUTIONAL INVESTOR CATEGORY: NOT LESS THAN 15% OF THE NET OFFER
(C) RETAIL CATEGORY : NOT LESS THAN 35% OF THE NET OFFER
(D) MARKET PORTION: 1,53,600 EQUITY SHARES

PRICE BAND: ₹ 114 TO ₹ 120 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

THE FLOOR PRICE IS 11.4 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 12 TIMES THE FACE VALUE OF THE EQUITY SHARES

BIDS CAN BE MADE FOR A MINIMUM OF 1200 EQUITY SHARES AND IN MULTIPLE OF 1200 EQUITY SHARES THERAFTER.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RED HERRING PROSPECTUS AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER

RISK TO INVESTORS

- A) Our revenue is dependent on the domestic market since, it contributes significantly to our total revenue from operations. Any adverse changes in the conditions affecting domestic market could adversely affect our business, results of operations and financial condition. Our revenue from domestic sales for the six months period ended September 30, 2024, FY 2024, FY 2023 and FY 2022 was ₹ 3,894.65 Lakhs, ₹ 8,537.45 Lakhs ₹ 7,981.66 Lakhs, and ₹ 4,606.27 Lakhs which, constituted 85.40%, 85.56%, 82.34%, and 73.22 % of our revenue from operations for such periods
- B) Our Company had negative cash flows during certain fiscal years in relation to our investing and financing activities. Sustained negative cash flows in the future would adversely affect our results of operations and financial condition.
- C) We depend on outside parties for adequate and timely supply of raw materials at commercially acceptable prices. Any disruptions, delay or increase in prices of such material may have a material adverse effect on our business. Our raw materials consumed for the six months period ended September 30, 2024, FY 2024, FY 2023 and FY 2022 was ₹ 3,609.34 Lakhs, ₹ 6,383.68 Lakhs ₹ 6,468.15 Lakhs, and ₹ 4,837.61 Lakhs which, constituted 79.14%, 63.97%, 66.72%, and 76.90% of our revenue from operations for such periods.
- D) The audit reports for our audited financial statements for the certain Financial Years include references to certain emphasis of matter paragraphs.
- E) We have significant working capital requirements. If we are unable to borrow or raise additional financing or furnish bank guarantees or performance bank guarantees in future, it would adversely impact our business, cash flows and results of operations.
- F) We are dependent on limited number of suppliers for our raw materials required in our operations. Further, our top 10 (ten) suppliers constituted 68.36%, 71.81%, 64.36%, and 57.08%, respectively of total purchases during the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023, and Fiscal 2022 respectively. Our business is dependent on our continuing relationships with our suppliers and any deterioration in our relations with any of them could materially and adversely affect our business, results of operations, cash flows and financial condition.
- G) We derive a significant portion of our revenue from a few customers and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products may adversely affect our business, results of operations, financial condition and cash flows.
- H) Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.
- I) If we fail to manage our growth effectively, we may be unable to execute our business plan or maintain high levels of service and satisfaction, and our business, results of operations, cash flows and financial condition could be adversely affected. Our revenue from operations has grown from ₹ 6,920.97 lakhs in Fiscal 2022 to ₹ 9,978.75 lakhs in Fiscal 2024. Our PAT has grown from ₹ 212.13 lakhs in Fiscal 2022 to ₹ 1,192.63 lakhs in Fiscal 2024.
- J) Certain of our corporate records and filings and instruments of transfer are not traceable. We cannot assure you that no legal proceedings or regulatory actions will be initiated against us in the future in relation to any such discrepancies.
- K) There have been some instances of incorrect filings with the Registrar of Companies and other non-compliances under the Companies Act in the past which may attract penalties
- L) Our Company, its Directors and its Promoters are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various forums and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status
- M) Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency and may be subject to change based on various factors, some of which may be beyond our control. We have not entered into any definitive agreements to utilise certain portions of the Net Proceeds of the Offer.
- N) If there are delays in setting up the Proposed Expansion and cost overruns related to the Proposed Expansion or installation of Solar Power project are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects

Investor should read the RHP carefully, including the "Risk Factor" on page 32 of the RHP before making any investment decision

i. Average Cost of Acquisition of Shares for Promoters Selling Shareholders And Promoter Group Selling Shareholders

Name	Number of Shares (Face value of ₹ 10)	Average Cost of Acquisition per Equity Share (in ₹) *
Bipin Sanghvi ⁱⁱ	8,92,717	1.67
Hardik Sanghvi ⁱⁱ	26,82,750	13.56
Tarulata Sanghvi ⁱⁱ	17,63,461	18.93
Swagat Sanghvi ⁱⁱ	26,82,750	8.58
Ami Sanghvi ⁱⁱ	6,38,750	1.28
Pooja Sanghvi ⁱⁱ	6,38,750	22.50

Also, Promoter Selling Shareholders.

+ Also, Promoter Group Selling Shareholders

*As certified by our Statutory Auditor J. H. Gandhi & Co, Chartered Accountants, pursuant to their certificate dated February 08, 2025

ii. The weighted average cost of acquisition of all shares transacted (i) in the preceding three (3) years; (ii) in the preceding one (1) year; and (iii) in the preceding eighteen (18) months from the date of this Red Herring Prospectus is as under;

Period	Weighted average cost of acquisition per Equity Share (in ₹) *	Upper end of price band ₹120 is "x" times the weighted average cost of acquisition**	Range of acquisition price per equity share: lowest price-highest price (in ₹) ^A
Last one (1) year	NIL ^A	NIL	NA
Last three (3) years	NIL ^A	NIL	NA
Last eighteen months	NIL ^A	NIL	NA

*As certified by our Statutory Auditor J. H. Gandhi & Co, Chartered Accountants, pursuant to their certificate dated February 10, 2025

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE ON*: THURSDAY, FEBRUARY 13, 2025

OFFER OPENS ON**: FRIDAY FEBRUARY 14, 2025

OFFER CLOSES ON***: TUESDAY, FEBRUARY 18, 2025

*Our company in consultation with BRLM, may consider participation by Anchor Investor, in accordance with the SEBI ICDR Regulation. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening date.

** Our company in consultation with the BRLM, may decide to close the Bid/Offer period for QIBs one Working Day prior to Bid/Offer Closing Date, in accordance with SEBI ICDR Regulation.

*** UPI Mandate end time and date shall be at 5.00 pm, on bid/offer closing date.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below, and is justified in view of these parameters. The face value of the Equity Share is ₹10.00/- per Equity Share and Offer Price is ₹ [•] /- per Equity Share. The Offer Price is [•] times the face value. The Floor Price is 11.4 times the face value and the Cap Price is 12 times the face value.

Investors should refer chapters titled "Risk Factors", "Restated Financial Statements", "Management Discussion and Analysis of Financial Condition and Results of Operations" and "Business Overview" beginning on pages 32, 202, 241 and 144 respectively of the Red Herring Prospectus to get an informed view before making an investment decision

Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price, are as follows:

1) Basic and Diluted Earnings Per Share (EPS)

Year ended	Basic and Diluted EPS	Weights
March 31, 2022	2.28	1
March 31, 2023	10.29	2
March 31, 2024	12.82	3
Weightage Average EPS	10.22	
For the six months period ended on September 30, 2024*	3.41	

*Not Annualised

Pursuant to a resolution of our Shareholders passed at the EGM held on January 20, 2024, our Company has issued bonus shares in the ratio of 411(four hundred and eleven) Equity Shares for every 100 (hundred) existing Equity Shares held. Accordingly, the earnings per Equity Share have been adjusted for the aforementioned bonus issue.

Note:

- The face value of each Equity Share is ₹10.
- Basic Earnings per share = Profit for the period / Weighted average number of equities shares outstanding during the period/year.
- Diluted Earnings per share = Profit for the period / Weighted average number of potential equities shares outstanding during the period/year.
- Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. $(EPS \times Weight) \text{ for each year} / \text{Total of weights}$
- Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/year adjusted by the number of Equity Shares issued during the period/year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year
- The figures disclosed above are based on the Restated Financial Statement of our Company.
- Earnings per Equity Share (Basic and Diluted) = Restated profit for the period/year attributable to the equity holders of our Company/Weighted average number of equities shares outstanding during the period/year. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

2) Price Earning (P/E) Ratio in relation to the Price Band of ₹ 114 to ₹ 120 per Equity Share of Face Value of ₹ 10/- each fully paid up:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
P/E ratio based on Basic and diluted EPS for financial year ended March 31, 2024	8.89	9.36

Note: Price/earnings (P/E) ratio is computed by dividing the price per share by earnings per share. For further details, please refer to the chapter titled "Restated Financial Statements" beginning on page no. 227 of the Red Herring Prospectus.

Particulars	P/E ratio
Industry Peer Group P/E ratio	
Highest	45.91
Lowest	21.60
Average	29.91

Note-The highest and lowest industry P/E has been considered from the industry peer set provided later in this chapter. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this chapter. CMP of the peer group is as per the closing price as on February 6, 2025 as available on www.bseindia.com and www.nseindia.com

3) Return on Net worth (RoNW)

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

Year Ended	RONW (%)	Weight
March 31, 2022	10.21%	1
March 31, 2023	31.53%	2
March 31, 2024	28.21%	3
Weighted Average	26.32	
For the six months period ended on September 30, 2024*	6.99%	

*Not Annualised

Note:

The figures disclosed above are based on the Restated Financial Statement of our Company. Return on Net worth has been calculated as per the following formula:

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

4) Net Asset Value (NAV)

Particulars	₹ per share
Net Asset Value per Equity Share as of March 31, 2022	22.34
Net Asset Value per Equity Share as of March 31, 2023	32.63
Net Asset Value per Equity Share as of March 31, 2024	45.45
Net Asset Value per Equity Share as of six months period ended September 30, 2024	48.87
After the Offer ⁽ⁱ⁾	
At Floor Price	59.43
At Cap Price	60.40
Offer Price per equity share*	[•]

* Offer Price per Equity Share will be determined on conclusion of the Book Building Process

Note: Net Asset Value has been calculated as per the following formula:

- NAV = Net worth excluding revaluation reserve
- The figures disclosed above are based on the Restated Financial Statement of our Company
- Net Asset Value per Equity Share = Net worth as per the Restated Financial Statements/ Weighted average number of Equity Shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

5) Comparison of accounting ratios with listed industry peers

Companies	CMP	EPS (Basic in ₹)	EPS (Diluted in ₹)	PE Ratio	RONW (%)	NAV (Per Share)	Face Value
Royal Arc Electrodes Limited	[•]*	12.82	12.82	[•]	28.21	45.45	10.00
Peer Group							
ESAB India Limited	4992.92	105.90	105.90	47.15	53.25	198.87	10.00
Ador Welding Limited	1109.65	46.46	46.46	23.88	17.44	266.49	10.00
Gee Limited	130.90	4.95	4.95	26.44	6.29	78.61	2.00
Rasi Electrodes Limited	29.42	1.02	1.02	28.84	9.83	10.47	2.00

*Offer Price of our Company is considered as CMP. Offer Price per Equity Share will be determined on conclusion of the Book Building Process

Source: All the financial information for listed industry peers mentioned above is on a standalone/consolidated basis and is sourced from the filings made with stock exchanges, available on www.bseindia.com for the Financial Year ending March 31, 2024.

Note:

- Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.

- The figures for Royal Arc Electrodes Limited are based on the restated financial statements for the year ended March 31, 2024.
- The figures for the peer group are for the year ended March 31, 2024 and are based on their respective financial statements filed with BSE Ltd.
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.
- P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on February 6, 2025 sourced from website of Stock Exchanges as divided by the Basic/diluted EPS as applicable.
- RoNW is computed as net profit after tax (excluding comprehensive income), as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.

For further details, please refer chapter titled "Risk Factors" beginning on page 32 of the Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the chapter titled "Restated Financial Statements" beginning on page 202 of the Red Herring Prospectus to have more informed view about the investment proposition.

6) Key Performing Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated January 14, 2025. Further the Audit Committee, in its meeting held on January 14, 2025, has taken on record that other than the key financial and operational metrics set out below. Our Company has not disclosed any other key performance indicators during the three years preceding this Red Herring Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Offer Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated January 14, 2025, issued by M/s J H Gandhi & Co, Chartered Accountants, Statutory Auditor, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated January 14, 2025, issued by M/s. J H Gandhi & Co, Chartered Accountants, Statutory Auditor, has been included in chapter titled "Material Contracts and Documents for Inspection - Material Documents" on page 333 of the Red Herring Prospectus.

The tables below set forth the details of our certain financial data based on our Restated Financial Statement, certain non-GAAP measures and KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the financial data based on our Restated Financial Statement, certain non-GAAP measures, operational metrics and KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated January 14, 2025. Further, the Audit Committee has noted that no KPIs have been disclosed to any new investors in the last three year preceding the date of this Red Herring Prospectus. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of business verticals in comparison to our peers. Further, the KPIs disclosed herein have been certified by M/s. J. H. Gandhi & Co, Chartered Accountants, Statutory Auditor, by their certificate dated January 14, 2025.

For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, please refer to chapter titled "Business Overview", and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on pages 165 and 271 of this Red Herring Prospectus respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of Directors of our Company), until the later of (a) one year after the date of listing of the Equity Shares on the Stock Exchanges; and (ii) complete utilisation of the proceeds of the Offer as disclosed in chapter titled "Objects of the Offer" beginning on page 111 of the Red Herring Prospectus, or for such other duration as may be required under the SEBI ICDR Regulations.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below. We have also described and defined the KPIs, as applicable, in chapter titled "Definitions and Abbreviations" beginning on page 7 of the Red Herring Prospectus.

A list of our KPIs for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is set out below:

Particulars	For six months period ended September 30, 2024	Fiscal 2024	Fiscal 2022	Fiscal 2023
Revenue from operations ⁽¹⁾	4,560.47	9,978.75	9,694.02	6,290.97
Growth in revenue from operations (%) ⁽²⁾	NA	2.94%	54.09%	-
Gross Profit ⁽³⁾	1,242.84	3,385.93	3,004.28	1,593.74
Gross Profit Margin (%) ⁽⁴⁾	27.25%	33.93%	30.99%	25.33%
EBITDA ⁽⁵⁾	565.47	1,811.72	1,542.35	550.51
EBITDA Margin (%) ⁽⁶⁾	12.40%	18.16%	15.91%	8.75%
Restated Profit after tax (PAT) ⁽⁷⁾	317.50	1,192.63	956.82	212.13
PAT Margin (%) ⁽⁸⁾	6.96%	11.95%	9.87%	3.37%
RoE (%) ⁽⁹⁾	7.24%	32.85%	37.43%	10.70%
RoCE (%) ⁽¹⁰⁾	8.92%	37.73%	41.81%	12.63%
Net Debt / EBITDA Ratio ⁽¹¹⁾	0.26	(0.04)	(0.10)	1.41
Debt Equity ratio ⁽¹²⁾	0.04	0.00	0.05	0.38
Domestic Revenue	3,894.65	8,537.45	7,981.66	4,606.27
Domestic Revenue as a percentage to revenue from operations	85.40%	85.56%	82.34%	73.21%
Export Revenue	665.83	1,441.30	1,712.36	1,684.70
Export Revenue as a percentage to revenue from operations	14.60%	14.44%	17.66%	26.78%
Working Capital Days ⁽¹³⁾	113	91	49	93
Inventory Days ⁽¹⁴⁾	56	50	33	84
Trade Receivable Days ⁽¹⁵⁾	81	76	62	76
Trade Payable Days ⁽¹⁶⁾	24	29	46	76

*As Certified by our Statutory Auditor, J. H. Gandhi & Co Chartered Accountants vide their certificate dated January 14, 2025.

For further information, please refer section titled "Basis for Offer Price" on page 114 of the RHP

Explanation for the KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of the Company and size of the business
Growth in revenue from operations (%)	Growth in Revenue from operations provides information regarding the growth of the business for the respective period.
Gross Profit (₹ in million)	Gross Profit provides information regarding the profits from manufacturing of products by the Company.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the profitability on sale of products manufactured sold by the Company.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability of the business before interest, depreciation, amortisation, and taxes and financial performance of the business.
Restated Profit after Tax (PAT)	Restated Profit after Tax is an indicator of the overall profitability and financial performance of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business as a % to revenue from operations.
Return on Equity ("RoE") (%)	RoE provides how efficiently our Company generates profits from the shareholders' funds.
Return on Capital Employed ("RoCE") (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.
Net Debt / EBITDA Ratio	It represents how many years it would take for our Company to pay back its debt if net debt and EBITDA are held constant.
Debt Equity ratio	This gearing ratio compares shareholders' equity to company debt to assess the company's amount of leverage and financial stability.
Working Capital Days	Working capital days indicates the working capital requirements of our Company in relation to revenue generated from operations, it defines the number of days taken by the company for converting the purchase to collection.
Inventory Days	Inventory Days provides number of days in which inventory tumaround in particular period / year.
Trade Receivable Days	Trade Receivable Days is the number of days that a customer invoice is outstanding before it is collected.
Trade Payable Days	Trade Payable Days is the number of days that a company takes to pay its bills and invoices to its trade creditors.

Description on the historic use of the KPIs by us to analyze, track or monitor our operational and/or financial performance

In evaluating our business, we consider and use certain KPIs, as stated above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Statement. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind GAAP and are not presented in accordance with Ind GAAP. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind GAAP measures of performance or as an indicator of our operating performance, liquidity or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind GAAP. Investors are encouraged to review the Ind GAAP financial measures and to not rely on any single financial or operational metric to evaluate our business.

Comparison of KPIs with Listed Industry Peers

The following table provides a comparison of the KPIs of our Company with our peer group. The peer group has been determined on the basis of companies listed on Stock Exchanges, whose business profile is comparable to our businesses in terms of our size and our business model:

Parameters	Ador Welding Limited				Gee Limited			Rasi Electrodes Limited			ESAB India Limited					
	For the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022	For the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022	For the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022	For the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations ⁽¹⁾	54,889.00	88,838.00	77,676.00	66,148.00	16,520.15	36,914.30	39,566.18	32,340.69	4,188.37	8,382.74	8,752.50	6,838.08	66,826.00	1,24,332.00	1,09,080.00	89,630.00
Growth in Revenue from Operations ⁽²⁾	24.21%	13.78%	17.43%	NA	-10.49%	-6.70%	22.34%	NA	-0.07%	-4.22%	28.00%	NA	7.50%	13.98%	21.70%	NA
EBITDA ⁽³⁾	3,620.00	10,299.00	9,308.00	6,385.00	607.94	3,024.47	2,469.02	2,949.71	246.29	512.69	530.82	392.15	11,867.00	23,417.00	19,448.00	12,518.00
EBITDA Margin % ⁽⁴⁾	6.60%	11.65%	11.98%	9.65%	3.68%	8.19%	6.24%	9.12%	5.88%	6.12%	6.06%	5.73%	17.76%	18.83%	17.83%	13.97%
PAT ⁵	2,655.00	6,319.00	5,929.00	4,516.00	454.92	1,285.57	850.94	1,507.49	189.64	320.39	300.60	204.69	8,761.00	16,298.00	13,568.00	8,431.00
PAT Margin % ⁽⁶⁾	4.84%	7.15%	7.63%	6.83%	2.75%	3.48%	2.15%	4.66%	4.53%	3.82%	3.43%	2.99%	13.11%	13.11%	12.44%	9.41%
Net Worth ⁽⁷⁾	47,348.00	36,238.00	32,351.00	28,209.00	20,805.86	20,428.83	19,300.18	18,586.59	3,449.25	3,258.97	2,942.39	2,643.42	34,749.00	30,606.00	26,027.00	24,422.00
Capital Employed ⁽⁸⁾	48,532.00	39,982.00	33,426.00	27,939.00	20,837.49	28,814.										

ZIM LABORATORIES LIMITED
 Registered Office: Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur - 440 013, Maharashtra, India.
 CIN : L99999MH1984PLC032172. Website : www.zimlab.in

EXTRACT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2024
 (Rs. in Lakhs, unless otherwise stated)

Particulars	Quarter Ended		Nine Months Ended			Year Ended
	31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
Total Income from Operations	8,633.03	9,214.33	9,629.26	27,029.80	24,956.16	36,742.44
Net Profit / (Loss) for the period before exceptional item and tax	570.37	296.29	701.40	990.10	1,264.28	2,364.24
Net Profit / (Loss) for the period after tax	400.08	238.14	478.46	728.05	916.07	1,724.63
Total Comprehensive Income for the period	428.33	253.43	474.25	764.54	898.23	1,699.73
Paid-up Equity Share Capital (Face Value Rs. 10 per share)	4,872.58	4,872.58	4,872.58	4,872.58	4,872.58	4,872.58
Other Equity (including Reserves)	-	-	-	-	-	19,002.00
Earnings per share (not annualised)						
a) Basic	0.82	0.49	0.98	1.49	1.88	3.54
b) Diluted	0.82	0.49	0.98	1.49	1.88	3.54

Notes: 1. Key Standalone financial information of the company is given below:

Particulars	Quarter Ended		Nine Months Ended			Year Ended
	31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
Income from Operations	9,539.50	8,972.13	9,581.94	26,712.04	24,806.60	36,547.32
Net Profit / (Loss) for the period before exceptional item and tax	602.78	185.16	700.95	896.36	1,223.66	2,303.97
Net Profit / (Loss) for the period after exceptional item and tax	434.85	121.57	493.03	632.32	886.52	1,675.55
Net Profit / (Loss) for the period after tax	425.30	112.02	471.49	603.67	851.89	1,637.36

2. The above is an extract from the detailed format of the unaudited Standalone and Consolidated results for the quarter and nine months ended 31st December 2024, filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of these results is available on the websites of the Stock Exchanges (www.bseindia.com & www.nseindia.com) as well as on the Company's website (www.zimlab.investorrelations/quarterly-results). The same can be accessed by scanning the QR code provided below.

3. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10th February 2025. There are no qualifications in the limited review report issued for the quarter and nine months ended 31st December 2024.

Place : Nagpur
 Dated : 10th February 2025

(Dr. Anwar. S. Daud)
 Managing Director

Nazara
NAZARA TECHNOLOGIES LIMITED
 CIN: L72900MH1999PLC122970
 Regd. Office: 51-54, Maker Chambers III, Nariman Point, Mumbai - 400021, Tel.: +91-22-40330800 Fax: +91-22-22810606
 Email: investors@nazara.com, Website: www.nazara.com

Addendum to the Notice of Extra-ordinary General Meeting dated January 22, 2025

This is with reference to the notice dated January 22, 2025 ('EGM Notice') for convening an Extra-ordinary General Meeting ("EGM") to be held on Thursday, February 13, 2025 at 11.30 A.M. through Video Conferencing/ Other Audio Visual Means (VC/OAVM), to seek approval of the Members for the matters set out in the EGM Notice. The EGM Notice has already been dispatched to the Members of the Company on January 22, 2025, in Compliance with the Companies Act, 2013 & Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has issued Addendum to the EGM Notice dated February 10, 2025 ('Addendum') to clarify and provide additional details in relation to the Valuation Report and explanatory statement of Item No. 2 of the EGM Notice. The Members of the Company are requested to note that the amendments are stated in the said Addendum. Please note that all other contents of the EGM Notice shall remain unchanged. Members are requested to read the EGM Notice in conjunction with the Addendum.

The Addendum is available on the website of the Company at www.nazara.com and on the websites of Stock Exchanges i.e. www.bseindia.com and www.nseindia.com, where shares of the Company are listed.

For Nazara Technologies Limited
 Sd/-
 Arun Bhandari
 Company Secretary & Compliance Officer
 M. No. F8754

Date: February 10, 2025
 Place: Mumbai

HINDUSTAN COMPOSITES LIMITED
 CIN No. L29120MH1964PLC012955
 Regd. Office: A Tower, 8th Floor, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel: 022-66880100. Fax: 022-66880105 Visit us at www.hindcompo.com

EXTRACT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2024
 (Rs. in Lakhs, except per share data)

Sr. No.	Particulars	Standalone			Consolidated		
		Three Months Ended 31-Dec-24 (Unaudited)	Nine Months Ended 31-Dec-24 (Unaudited)	Three Months Ended 31-Dec-23 (Unaudited)	Three Months Ended 31-Dec-24 (Unaudited)	Nine Months Ended 31-Dec-24 (Unaudited)	Three Months Ended 31-Dec-23 (Unaudited)
		1	Total Income from operations (Net)	8,183	23,593	7,169	8,183
2	Net Profit after tax *	1,097	2,893	646	1,097	2,893	646
3	Total Comprehensive Income for the period (Comprising profit for the period (after tax) and other comprising income (after tax))	769	10,078	2,232	769	10,078	2,232
4	Paid-up Equity Share Capital (Face Value Rs. 5/- each)	738	738	738	738	738	738
5	Earning per Share (before and after extraordinary items) Basic and Diluted (Rs.)	7.43	19.59	4.37	7.43	19.59	4.37

* There is no extra ordinary item during the quarter and nine months ended.

Note:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 10th February, 2025 and the Statutory Auditors of the Company have carried out a 'Limited Review' of the same.
- The above is an extract of the detailed format of Financial Results filed with Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Financial Results are available on the Stock Exchanges website (www.bseindia.com, www.nseindia.com) and on Company's website (www.hindcompo.com/investor-relations/financialresults.htm).
- Previous periods' figures have been rearranged / regrouped wherever considered necessary to conform to the presentation of the current period. All figures of financial results 'has been rounded off to nearest lakhs rupees.

Place : Mumbai
 Dated : 10th February, 2025

For Hindustan Composites Limited
 Sd/-
 P.K. Choudhary
 Managing Director
 (DIN No.00535670)

7) Comparison of KPIs based on additions or dispositions to our business

Dispositions
 Our Company has not made any dispositions to our business in the last three Fiscals and six months period ended September 30, 2024.

Acquisition
 Our Company has not acquired / made any in investment in the last three Fiscals and six months period ended September 30, 2024.
 Our Company has not undertaken material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

8) Weighted average cost of acquisition

a) The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of equity shares pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Except bonus issue of Equity Shares, there has been no issuance of Equity Shares or convertible securities, excluding issuance of bonus shares, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

b) The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the secondary sale / acquisition of Equity Shares or convertible securities involving Promoter, Promoter Group during the 18 months preceding the date of filing of this Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Our Company has not entered in to any agreement for transfer / acquisition of Equity Shares which is equal to or more than 5% of the fully diluted paid-up share capital of our Company during the 18 months preceding the date of filing of this Red Herring Prospectus.

For the purpose of disclosure under part (a) and (b) above, 'primary transaction' refers to a primary issue of Equity Shares or securities convertible into Equity Shares, excluding shares issued under a bonus issuance and sub-division of shares and 'secondary transactions' refer to any secondary sale or acquisition of Equity Securities (excluding gifts).

c) Since there are no eligible transaction of our Company reported in (a) and (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoter/ Promoter Group entities or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of the Red Herring Prospectus has been computed as under:

Date of Transfer	Name of Transferor	Name of Transferee	No. Equity Shares Allotted / Transferred	Face value per Equity Share (₹)	Price per Equity Share (₹)	Nature of transaction*	Nature of consideration	Total consideration (in ₹) (B)*
Primary Issuances								
February 01, 2024	Allotment of 7,18,017 Equity Shares to Bipin Sanghvi; 21,57,750 Equity Shares to Hardik Sanghvi; 14,16,361 Equity Shares to Tarulata Sanghvi; 411 Equity Shares to Rashmikan Kamdar, 411 Equity Shares to Samir Sanghvi; 21,57,750 Equity Shares to Swagat Sanghvi; 5,13,750 Equity Shares to Ami Sanghvi; 5,13,750 Equity Shares to Pooja Sanghvi		74,80,200	10	Nil	Bonus Issue in the ratio of 411 Equity Share for every 100 Equity Share held.	NA	NA
Weighted Average Cost of Acquisition (primary transactions)								
Nil								

d) Weighted average cost of acquisition, floor price and cap price
 Based on the transaction described in (a), (b) and (c) above, the weighted average cost of acquisition, as compared with the Floor Price and Cap Price is set forth below:

Date of transfer	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹ 114) (₹)	Cap price (i.e. ₹ 120) (₹)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	Not Applicable	Nil ^a	Nil ^a
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	Not Applicable	Nil ^a	Nil ^a
Weighted average cost of acquisition of primary issuances as per paragraph 8 (c) above	Nil ^a	Nil ^a	Nil ^a
Weighted average cost of acquisition of secondary transactions as per paragraph 8 (c) above	Not Applicable	Nil ^a	Nil ^a

*As certified by our Statutory Auditor J. H. Gandhi & Co, Chartered Accountants, pursuant to their certificate dated February 10, 2025.

Note:
^a There were no primary / new issue of shares (equity/convertible securities) other than Equity Shares issued pursuant to a bonus issue on February 01, 2024 in last three years prior to the date of this Red Herring Prospectus.

Explanation for Offer Price/Cap Price being [o] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in VIII above) along with our Company's key performance indicators and financial ratios for the six-month period ended September 30, 2024, Fiscal 2024, 2023 and 2022 and in view of the external factors which may have influenced the pricing of the Offer.

- Our revenue is dependent on the domestic market since, it contributes significantly to our total revenue from operations. Any adverse changes in the conditions affecting domestic market could adversely affect our business, results of operations and financial condition. Our revenue from domestic sales for the six months period ended September 30, 2024, FY 2024, FY 2023 and FY 2022 was ₹ 3,894.65 Lakhs, ₹ 8,537.45 Lakhs ₹ 7,981.66 Lakhs, and ₹ 4,606.27 Lakhs which, constituted 85.40%, 85.56%, 82.34%, and 73.22 % of our revenue from operations for such periods.
- As on September 30, 2024, our borrowings were ₹ 202.47 Lakhs as per the restated financial statement.
- Our revenue from operations has grown from ₹ 6,920.97 lakhs in Fiscal 2022 to ₹ 9,978.75 lakhs in Fiscal 2024. Our PAT has grown from ₹ 212.13 lakhs in Fiscal 2022 to ₹ 1,192.63 lakhs in Fiscal 2024.
- We are in the process of undertaking Proposed Expansion of our existing manufacturing facility at Plot No.6, Survey No. 91/ Paiki-4, Near Sheela Foam, village- Zaroli, Umbergaon, District Valsad, Gujarat ("Proposed Expansion"), all of which would require substantial capital expenditure. Out of the Net Proceeds from fresh issue of ₹ 488.66 lakhs are proposed to be utilized towards funding capital expenditure requirements at Proposed Expansion and installation of solar power plant.

9) The Offer Price is [•] times of the face value of the Equity Shares.
 The Offer Price of ₹ [•] has been determined by our Company in consultation with the BRLM, on the basis of assessment of market demand from Bidders for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

The trading price of Equity Shares could decline due to factors mentioned in chapter titled "Risk Factors", beginning on page 36 of this Red Herring Prospectus and you may lose all or part of your investments. Bidders should read the above-mentioned information along with chapter titled "Business Overview", "Management's Discussion and Analysis of Financial Position and Results of Operations" and "Restated Financial Statement" beginning on pages 165, 271 and 227 respectively of this Red Herring Prospectus, to have a more informed view before making an investment decision.

ASBA
 Simple, Safe, Smart way of Application!!!

UPI-Now available in ASBA for Retail Individual Investors and Non - Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, DPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, issued by the Central Board of Direct Taxes and the subsequent press releases, including press releases dated June 25, 2021 and September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by (i) Retail Individual Investors in the Retail Portion; (ii) Non-institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 345 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of the Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and ICICI Bank Limited have been appointed as Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For Offer related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

*ASBA has to be availed by all investors. UPI may be availed by Retail Individual Bidders.

For details on the ASBA and UPI process, please refer to the details given in ASBA Form & Abridged Prospectus and also please refer to the section "Offer Procedure" beginning on page 290 of the Red Herring Prospectus. The process is also available on website of AIBI and stock exchange in the General Information Document. ASBA Forms can be downloaded from the National Stock Exchange of India ("NSE") and can be obtained from the list of banks that is displaying on website of SEBI at www.sebi.gov.in list of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and banks live on IPO, please refer to the link www.sebi.gov.in. Kotak Mahindra Bank has been appointed as sponsor bank for the offer in accordance with the requirements with the requirements of the SEBI Circular dated November 01, 2018 as amended. For UPI related queries, investors can contact toll free no. 18001201740 and mail id: ipo.upi@npci.org.in

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one working day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

This Offer is being made through the Book Building Process, in terms of Rule 19(2) of the Securities Contract (Regulation) Rules, 1957 as amended (SCRR) read with regulation 229 of the SEBI ICDR Regulation and in compliance with Regulation 253 of the SEBI ICDR Regulation provided not more than 50.00% of the net offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (QIB) (the "QIB Portion"), wherein that our company in consultation with the BRLM may allocate upto 60.00% of QIB portion to Anchor Investor on discretionary basis (Anchor Investor Portion) One third of Anchor Investor Portion shall be reserved for domestic mutual funds, subject to valid bids being received from domestic mutual fund at or above the Anchor Investor Allocation price in accordance with SEBI ICDR Regulation. In the event of under subscription or non-allocation in anchor investor portion, the balance equity shares shall be added to the QIB (other than Anchor investor portion) ("Net QIB Portion"). Further the 5% of the net QIB portion shall be available for allocation on a proportionate basis to mutual fund only, and remainder of net QIB portion shall be available for allocation on a proportionate basis to all QIB bidders, including mutual funds, subject to valid bid being received at or above offer price. However, if the aggregate demand from mutual funds is less than 5.00% of the net QIB portion, the balance equity shares available for allocation in the mutual fund portion will be added to remaining QIB portion for proportionate allocation to QIBs. Further not less than 15.00% of the net offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the net offer shall be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulation, subject to valid bid Bids being received from them at or above the offer price. All bidders other than Anchor Investor, are required to participate in the offer by mandatorily utilising the Application Supported by Blocked Accounts (ASBA) process by providing detail of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid amount will be blocked by the Self certified Banks (SCSBs) or under the UPI Mechanism, as the case may be to the extent of respective Bid amount. Anchor Investor are not permitted to participate in the offer through the ASBA process. For details see "Offer Procedure" on page no. 290

Bidders/Applicants should ensure that DP ID, PAN and Client ID and UPI ID (for UPI Bidders Bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidder/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DPID, Client ID and UPI ID as provided in the Bid cum Application Form, the Bidders/Applicants may be deemed to have authorised the Depositories to provide to the Registrar to the offer, any requested Demographic details of the Bidders/Applicant as available on the records of the depositories. These Demographic details may be used, among other thing, for giving Allotment Advice or unblocking ASBA Account or for other correspondence related to an offer. Bidders/Applicant are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the demographic details would be at the Bidders/Applicants' sole risk. Investor must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, and press release dated June 25, 2021

CONTENT OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECT: For information on main object and other object of our company, see "History and certain Corporate matters" on page no. 176 of the RHP. The Memorandum of Association of our company is a material document for inspection in relation to the offer. For further details see the section "Material contract and Documents for Inspection" on page no. 333 of RHP.

LIABILITY OF MEMBERS OF THE COMPANY: Limited by Shares
Amount of share capital of our Company and Capital structure: As on the date of the RHP, the authorised share capital of the Company is ₹18,00,00,000 divided into 1,80,00,000 Equity Shares of face value ₹ 10 each. The issued, subscribed and paid-up share capital of the Company is ₹ 9,30,02,000 divided into 93,00,200 Equity Shares of face value ₹ 10 each. For details, please see the section titled "Capital Structure" on page 88 of the RHP.

NAME OF THE SIGNATORIES TO MEMORANDUM OF ASSOCIATION AND THE NUMBER OF SHARES SUBSCRIBED BY THEM
 Bipin Sanghvi, Jitendra Sanghvi and Kishor Shetty were the original subscribers to the Memorandum of Association who subscribed 100 Equity Shares each respectively of ₹10.00/- each aggregating to 300 Equity Shares:

LISTING: The Equity shares offered through the Red Herring Prospectus are proposed to be listed on EMERGE PLATFORM of National Stock Exchange of India Limited ("NSE EMERGE") in terms of CHAPTER IX of the SEBI (ICDR) Regulation, as amended from time to time. Our company received an approval letter dated October 30, 2024 from NSE for using the name in the offer document for listing of our shares on EMERGE PLATFORM of NSE. For the purpose of this issue, the Designated Stock exchange will be NSE.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): Since the Offer is being made in terms of chapter IX of the SEBI (ICDR) Regulations, 2018, the Red Herring Prospectus has been filed with SEBI. In terms of The SEBI Regulations, the SEBI shall not Offer any observation of the Offer Document Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI beginning on page 270 of the Red Herring Prospectus

DISCLAIMER CLAUSE OF NSE ("NSE EMERGE") (DESIGNATED STOCK EXCHANGE): It is to be distinctively understood that the permission given by NSE should not in any way be deemed of construed that the offer issue document has been approved by NSE nor does it certify the correctness or completeness of any of the offer document. The investor are advised to refer page no. 272 of RHP for the full text of disclaimer clause of NSE

GENERAL RISK
 Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of the Prospectus. Specified attention of the investors is invited to the chapter titled "Risk Factors" beginning on page 32 of the Red Herring Prospectus

BOOK RUNNING LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 FEDSEC SECURITIES PRIVATE LIMITED B 7, 3 rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249; Investor Grievance Email: mb@fedsec.in Website: www.fedsec.in Contact Person: Saipan Sanghvi SEBI Registration No.: INM000010163	 KFINTECH SECURITIES PRIVATE LIMITED Selenium Tower-8, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India Tel No.: +91 40 6716 2222 Toll Free No.: 1800 309 4001 Email id: raei.ipo@kfinetech.com Investor Grievance Email id: einward.ris@kfinetech.com Contact Person: M Murali Krishna Website: www.kfinetech.com SEBI Registration No.: INR000000221

AVAILABILITY OF THE RED HERRING PROSPECTUS
 Investors should note that Investment in Equity Shares involves a high degree of risk and investors are advised to refer to the Prospectus and the Risk Factors contained therein, before applying in the Issue. Full copy of the Prospectus will be available at the website of SEBI at www.sebi.gov.in, the website of Stock Exchange at www.nseindia.com, the website of our Company Website at: <https://royalarc.in/> and also on website of Book Running Lead Manager at www.fedsec.in.

AVAILABILITY OF ABRIDGED PROSPECTUS AND APPLICATION FORMS
 Bid cum Application Forms can be obtained from the Registered Office of ROYAL ARC ELECTRODES LIMITED Tel No. / Mob No: +91 78880 00553; Email: cs@royalarc.in, BRLM Tel No.: +91 81049 85249; Email: mb@fedsec.in, RTA Tel No.: +91 40 6716 2222 Email id: raei.ipo@kfinetech.com. Syndicate member SHRENI SHARES LIMITED Tel No: +022 - 2809 7022, Email id: shrenisharespvtdtd@yahoo.in. Bid cum Application Forms will also be available on the websites of NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Offer Opening Date.

Syndicate Members: SHRENI SHARES LIMITED - Office no. 217, Hive 67 Icon, Poisar Gymkhana Road, Lokmanya Tilak Nagar, Near Raghuleela Mall, Kandivali West, Mumbai - 400067, Maharashtra, India, Tel No. +022 - 2809 7022, Contact Person: Hitesh Punjani, Email id: shrenisharespvtdtd@yahoo.in Website: www.shreni.in SEBI Registration Number: INZ000268538

Sponsor Bank/ Banker to the Offer and Refund Banker to the Offer - KOTAK MAHINDRA BANK LIMITED

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Prospectus.

Investor should read the Prospectus carefully, including the "Risk Factors" beginning on page 32 of the Red Herring Prospectus before making any investment decision.

ROYAL ARC ELECTRODES LIMITED
 On behalf of the Board of Directors
 Sd/-
 Bipin Sanghvi
 Chairman & Managing Director
 DIN: 00462839

Date: February 10, 2025
 Place: Mumbai

ROYAL ARC ELECTRODES LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, an Initial Public Issue of its Equity Shares and has filed the Prospectus with the Registrar of Companies, Ahmedabad. The Prospectus is available on the website of SEBI at www.sebi.gov.in, the website of the Lead Manager at www.fedsec.in, website of the National Stock Exchange of India Limited at www.nseindia.com and website of Issuer Company at: <https://royalarc.in/>. For details, investors should refer to and rely on the Prospectus including the section titled "Risk Factors" beginning on page 32 of the Red Herring Prospectus.

The Equity Shares in this Issue have not been and will not be registered under the US Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act). The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.