

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY, OUTSIDE INDIA. INITIAL PUBLIC OFFER OF EQUITY SHARES ON THE EMERGE PLATFORM OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE") IN COMPLIANCE WITH CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").



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 REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON EMERGE PLATFORM OF NSE (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 SHAREHOLDERS") 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 SHAREHOLDERS") (TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, "SELLING SHAREHOLDERS" 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 SHAREHOLDERS, 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 Shareholder	Up to 1,20,000 Equity Shares aggregating up to ₹ [•] Lakhs	22.50
Ami Sanghvi	Promoter Group Selling Shareholder	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.

- QIB CATEGORY : NOT MORE THAN 50% OF THE NET OFFER
- NON INSTITUTIONAL INVESTOR CATEGORY : NOT LESS THAN 15% OF THE NET OFFER
- RETAIL INDIVIDUAL CATEGORY : NOT LESS THAN 35% OF THE NET OFFER
- MARKET MAKER RESERVATION 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

- 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.
- 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.
- 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.
- The audit reports for our audited financial statements for the certain Financial Years include references to certain emphasis of matter paragraphs.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

PUBLIC NOTICE
All concerned are informed that our clients 1) Mrs. Shabnam Mueen Warsi and 2) Mr. Mueen Warsi Warsi have agreed to purchase piece and parcel of land bearing Old Survey. No.121. Hissa. No.42. New Survey. No.19. Hissa. No.42, admeasuring 6 gunthas, equivalent to 600.00 sq.mtrs, situate lying and being at Village-Chowk. Taluka & District-Thane from Mrs. Anita Simon Almeida, the owner of the said lands.

जाहीर नोटीस
सुमान जन्तेस सदरच्या जाहीर नोटीसीद्वारे कळविण्यात येते की, माय मोजे पारका, ता. चवई, जि. पालघर येथील भूभागाचे क्र. १ हिस्सा नं. ३ अंश हे आर ०.४० - ७० चौ. आकार रू. व ४.४२१ हे मालकीची अर्जत यापैकी श्री. मुस्तफा बिक्रम पाटील ह्यांच्या हिस्सेदारां आहेत. ०-१२-० इतक्या मिळकतीपैकी ०-०६-० इतकी मिळकत आपणे अधिस्तीती कराय सुरुची दिकत घेण्याचे संस्थेची कोणताही हक्क नसतो आहे, तरी सदर व्यवाहारास कोणाही व्यक्तीची अस्तव्यास अथवा यापुढील कोणताही व्यवहार, हक्क हितसंबंध, अधिकार विक्री, वतीनी धारणाधिकार, देवणी, कुळ, कळना, भाडेपट्टा, बोवा, गृहणाव दाना दवा अस्तव्यास, तरी लेखी हरकत सदर नोटीस प्रसिध्द झाल्यापासून १५ (चौदा) दिवसांचे आत निमूसाद्वारांनी खालील प्रमाणे २५ संबंधित कामांपैकी पुराव्यासह कळवावी. मुदतीत हरकत न आल्यास कोणाचाही काहीही हक्क नाही, व अस्तव्यास तो सोडून दिला असे समजून सदरचा व्यवहार पूर्ण केला जाईल. मुदतीनंतर व कागदापैकी पुराव्याशिवाय आलेल्या हरकतीचा विचार केला जाणार नाही.

सेन्ट बँक होम फायनेन्स लिमिटेड
Cent Bank Home Finance Limited
पंरिणित IV (कब्जा सूचना)
स्थायर मिळकतीकरिता

प्रत्यक्ष कब्जा सूचना
ICICI Bank
आयसीआयसीआय बँक लि., कार्यालय क्रमांक २०१-बी, २ रा मजला, रोड क्र. १, प्लॉट क्र. बी-३, बायफार्न आयटी पार्क, वागळे इन्डस्ट्रियल इस्टेट, ठाणे (पश्चिम)-४०० ६०४.

Table with 3 columns: Name, Number of Shares (Face value of ₹ 10), Average Cost of Acquisition per Equity Share (in ₹) *. Contains data for Bipin Sanghvi, Hardik Sanghvi, Tarulata Sanghvi, Swagat Sanghvi, Ami Sanghvi, Pooja Sanghvi.

Table with 4 columns: 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 ₹)!. Contains data for Last one (1) year, Last three (3) years, Last eighteen months.

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 Regulations. 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 Regulations.

Submission of Bids (other than Bids from Anchor Investors)
Bidding dates and times for various applications: Submission of electronic applications (ASBA), Submission of physical applications, Modification / Revision / Cancellation of Bids.

ASBA
Simple, Safe, Smart way of Application!!!
Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account.

UPI
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.

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 or construed that the offer document has been approved by NSE nor does it certify the correctness or completeness of any of the offer document.

ASBA has to be available by all investors except anchor investors. UPI may be available 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.

REGISTRAR TO THE OFFER
KFINTech
FEDEX SECURITIES PRIVATE LIMITED
B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India

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.
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.

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 E-mail: mb@fedsec.in, RTA Tel No: +91 40 6716 2222 Email Id: rael ipo@kfintech.com