



**CERTIFICATE OF SECURITIES PREMIUM**

To,

**The Board of Directors**

**Royal Arc Electrodes Limited**

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

Dear Sirs,

**Re: Proposed initial public offering of equity shares of the face value of Rs. 10 each (the "Equity Shares") by the Company and such issuing, (the "Issue").**

We, **J.H. Gandhi & Co**, Chartered Accountants, Expert of the Company, have reviewed the relevant records pertaining to bonus issuance of shares undertaken by the Company and other relevant records produced before us. On the basis of such verification including Restated Financial Information of the Company, comprising of the Restated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2023, and March 31, 2024, and for the six months period ended September 30, 2024, and the Restated Statements of Profit and Loss, and the Restated Cash Flow Statement for the financial year ended March 31, 2022, March 31, 2023, and March 31, 2024 and for the six months period ended September 30, 2024, and the Summary Statement of Significant Accounting Policies and other explanatory information (collectively, the "Restated Financial Information"), prepared in accordance with the Companies Act, 2013, as amended (the "Companies Act") and Accounting Standards ("AS") prescribed by the Institute Of Chartered Accountants Of India ("ICAI") and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and the reports issued thereon, including the CARO Reports and according to information and explanations given to us, we confirm that the particulars relating to the bonus issuance of shares undertaken by the Company from the Reserve and surplus account of the Company., set out in Annexure A are true, correct and in accordance with applicable law.

Particulars	Rs. in lakhs
<b>Statement of Profit and loss</b>	
Balance at the beginning of the year 1 <sup>st</sup> April 2023	2852.56
Add: Profit during the year 01/04/2023-31/03/2024	1192.63
Less: Issue of Bonus Shares	(748.02)
Balance at the end of the year	<b>3297.16</b>
Balance at the beginning of the year 1 <sup>st</sup> April 2024	3297.16
Add: Profit for the period 01/04/2024-30/09/2024	317.50
Balance at the period ended on September 30, 2024	<b>3614.64</b>
<b>Security premium</b>	

Balance at the beginning of the year 1 <sup>st</sup> April 2023	Nil
Add: Addition 2023-24- and six-months period ended on September 30,2024	Nil
Less: Issue of Bonus Shares 2023-24- and six-months period ended on September 30,2024	Nil
Balance at the end of the year 31 <sup>st</sup> March, 2024	Nil
Balance at the end of the six-month period 30 <sup>th</sup> September, 2024	Nil
Balance as on date of this certificate	Nil

We have conducted our examination in accordance with the “Guidance Note on Reports in Company Prospectuses (Revised 2019)”, issued by the Institute of Chartered Accountants of India, in so far it relates to Expert issuing certificates on information included in prospectus. We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

We confirm that the information in this certificate is true, fair and correct, and is in accordance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. We confirm that the information in this certificate is adequate to enable investors to make a well-informed decision, to the extent that such information with respect to us is relevant to the prospective investor to make a well-informed decision.

This certificate is for information and for inclusion (in part or full) in the updated draft red herring prospectus (“**DRHP**”), Red Herring prospectus (“**RHP**”), and the prospectus (“**Prospectus**”) (“ filed in relation to the Issue (collectively, the “**Issue Documents**”) or any other Issue-related material, and may be relied upon by the Company, the Book Running Lead Manager and the legal advisors appointed by the Company and the Book Running Lead Manager in relation to the Issue. We hereby consent to the submission of this certificate as may be necessary to Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, Mumbai (“**RoC**”), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the Book Running Lead Manager and in accordance with applicable law. We hereby consent to this certificate being disclosed by the Book Running Lead Manager, if required; (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We confirm that we will immediately communicate any changes in writing in the above information to the Book Running Lead Manager until the date when the Equity Shares commence trading on the relevant stock exchanges where the Equity Shares are proposed to be listed. In the absence of any such communication from us, the Book Running Lead Manager and the legal advisors, each to the Company and the Book Running Lead Manager, can assume that there is no change to the above information until the Equity Shares commence trading on the relevant stock exchanges pursuant to the Offer.

In no event shall our total liability; to company or any other person relying on this; for any and all claims, losses, or damages arising out of or in connection with this professional assignment exceed the total amount of fees received by us under this agreement. This limitation of liability applies to all causes of action, including but not limited to breach of contract, negligence, and any other tort or statutory claims.

On the basis of information and explanation provided to us by the company under the assurance, we hereby indemnify the book running lead manager, from losses arising as a result of the aforementioned representations made by me/us in order to disclose details of the same in the issue documents to the extent of fees received by us in agreement with the Company

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the red herring prospectus, prospectus and any other material used in connection with the Offer, and for the submission of this certificate as may be necessary, to any regulatory/ statutory authority, stock exchanges, any other authority as may be required and/ or for the records to be maintained by the BRLM in connection with the Offer and in accordance with applicable law, and for the purpose of any defense the BRLM may wish to advance in any claim or proceeding in connection with the contents of the offer documents

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

Yours faithfully,  
For J. H. Gandhi & Co,  
Chartered Accountants



FRN: 0116513W  
Jasmit H. Gandhi  
(Proprietor)  
M. No. 044844  
UDIN: 25044844BMLMJ7559  
Date: 14/01/2025  
Place: Mumbai.



Cc:

Encl: As above

Cc:Fedex Securities Private Limited (the“Book Running Lead Manager”)

3rd Floor, B Wing, Jay Chambers, Dayaldas Road, Vile Parle East, Mumbai - 400057