

ROYAL ARC ELECTRODES LIMITED

CIN: U31100MH1996PLC096296

28TH ANNUAL REPORT

Year 2023-2024

Board of Directors:

Mr. Bipin Sanghvi, *Chairman & Managing Director*

Mr. Hardik Sanghvi, *Whole Time Director & CFO*

Mr. Swagat Sanghvi, *Whole Time Director*

Mr. Kunal Kamlesh Turakhia, *Independent Director (w.e.f 16.01.2024)*

Ms. Jayna B. Mehta, *Independent Director (w.e.f 16.01.2024)*

Mr. Rahul Rajan Vattamparambil, *Independent Director (w.e.f 16.01.2024)*

Company Secretary & Compliance Officer

Mrs. Mansi Maulik Bagadiya (w.e.f 01.02.2024)

Auditor:

Bagadiya & Jain

Chartered Accountants

908, Aditya Building,

B/h. Sardar Patel Seva Samaj

Nr. Gruh Finance, Navarangpura,

Ahmedabad - 380 009

Registered Office:

72B, Bombay Talkies Compound,

S V Road, Malad (W),

Mumbai, Maharashtra-400064

Bankers:

HSBC Bank

State Bank of India

Registrars and Share Transfer Agents

KFIN TECHNOLOGIES LIMITED

Selenium Tower-B, Plot 31 & 32, Gachibowli,

Financial District, Nanakramguda, Serilingampally,

Hyderabad - 500 032, Telangana



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



NOTICE

To,
The Members of
Royal Arc Electrodes Limited

NOTICE is hereby given that the **ANNUAL GENERAL MEETING** of the Members of **Royal Arc Electrodes Limited** will be held on **Saturday, 6th July, 2024 at 10:00 A.M.** at the Registered Office of the Company at 72 B, Bombay Talkies Compound, S.V. Road, Malad West, Mumbai 400064 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2024, including the Audited Balance Sheet as at 31st March, 2024, the Statement of Profit & Loss & Cash Flow for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint director in place of Mr. Bipin Sanghvi (DIN: 00462839), who retires by rotation and being eligible offer himself for re-appointment.

SPECIAL BUSINESS:

3. **ISSUE AND ALLOTMENT OF EQUITY SHARES TO THE PUBLIC (INITIAL PUBLIC OFFER)**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 26, 32, 40, 62 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules and regulations made thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force) ("**Companies Act**"), and in accordance with and subject to the provisions of the Securities Contracts (Regulation) Act, 1956, and the rules made thereunder, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), the Foreign Exchange Management Act, 1999, as amended, and the rules and regulations made thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended and any other applicable rules, regulations,





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



guidelines, clarifications, circulars and notifications issued by Government of India ("GoI"), Securities Exchange Board of India ("SEBI") or Reserve Bank of India ("RBI"), Department for Promotion of Industry and Internal Trade ("DIPP") and any other applicable laws, rules and regulations, in India or outside India (including any amendment thereto or reenactment thereof for the time being in force) (collectively, the "Applicable Laws"), and in accordance with the provisions of the Memorandum of Association and the Articles of Association of the Company and the uniform listing agreements to be entered into between the Company and the respective stock exchanges where the Equity Shares are proposed to be listed ("the Stock Exchanges"), and subject to any approvals from the GoI, the Registrar of Companies, Mumbai, Maharashtra ("RoC"), SEBI, RBI, the Department of Economic Affairs, Ministry of Finance, Government of India ("DEA"), Ministry of Commerce and Industry, Government of India, DIPP, the Insurance Regulatory and Development Authority of India and all other appropriate statutory authorities and departments (the "Regulatory Authorities"), and such other approvals, consents, waivers, permissions and sanctions, the consent, approval, authority and sanction of the members be and is hereby granted to create, offer, issue and allot equity shares up to 18,00,000 Equity shares of face value of Rs. 10/- each of the Company (the "Equity Shares") each by way of a fresh issuance pursuant to a fresh issues (the "Fresh Issue") together with an offer for sale up to 12,00,000 Equity Shares pursuant to an offer for sale by the Promoter Selling Shareholder & Promoter Group Selling Shareholder of our Company (collectively, the "Selling Shareholder") and such offer for sale, the "Offer for Sale" at a price band and offer price to be determined in consultation with the book running lead manager appointed in respect of the Offer ("BRLM"), in terms of the SEBI ICDR Regulations or otherwise in accordance with Applicable Law, at such premium or discount per Equity Share as permitted under Applicable Laws and as may be fixed and determined by the Company and Promoter Selling Shareholder in consultation with the BRLM in accordance with the SEBI ICDR Regulations, out of the authorized share capital of the Company to any category of person or persons as permitted under Applicable Laws, who may or may not be the shareholder(s) of the Company as the Board may, decide, including anchor investors and qualified institutional buyers, one or more of the members of the Company, eligible employees (through a reservation or otherwise), Hindu Undivided Families, foreign portfolio investors, venture capital funds, alternative investment funds, non-resident Indians, state industrial development corporations, insurance companies, provident funds, pension funds, National Investment Fund, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India,





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



trusts/societies registered under the Societies Registration Act, 1860, development financial institutions, systemically important non-banking financial companies, Indian mutual funds, members of group companies, Indian public, bodies corporate, companies (private or public) or other entities (whether incorporated or not), authorities, and to such other persons including high net worth individuals, retail individual applicants or other entities, in one or more combinations thereof and/or any other category of investors as may be permitted to invest under Applicable Laws (collectively referred to as the "Investors") by way of the Offer in consultation with the BRLM and/or underwriters and/or the stabilizing agent pursuant to a green shoe option and/or other advisors or such persons appointed for the Offer and on such terms and conditions as may be finalized by the Board in consultation with the BRLM through an offer document, prospectus and/or an offering memorandum, as required, and the decision to determine the category or categories of investors to whom the transfer shall be made to the exclusion of all other categories of investors and in such manner as the Board may in its discretion, deem fit, including in consultation with BRLM, underwriters and/or other advisors as may be appointed for the Offer on such terms as may be deemed appropriate by the Board, and that the Board in consultation with the BRLM may finalise all matters incidental thereto as it may in its absolute discretion thinks fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions and any transfer of Equity Shares pursuant to the Offer, the Board and any other committee thereof, in consultation with the BRLM, be and is hereby authorized to determine the terms of the Offer including the class of investors to whom the Equity Shares are to be transferred, the number of Equity Shares to be transferred in each tranche, price band, offer price, premium amount, discount (as allowed under Applicable Laws), listing on one or more Stock Exchanges in India as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and to negotiate, finalize and execute such deeds, documents agreements and any amendment thereto, as it may, in its absolute discretion, deem necessary, proper or desirable including arrangements with BRLM, underwriters, escrow agents, legal advisors, etc., to approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the offer and to settle or give directions or instructions for settling any questions, difficulties or doubts that may arise, in regard to the offering, offer, transfer of equity shares and such other activities as may be necessary in relation to the Offer and to accept and to give effect to such modifications, changes, variations, alterations, deletions and/or additions as





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



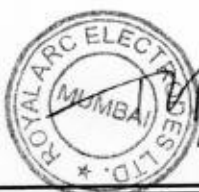
regards the terms and conditions as it may, in its absolute discretion, deem fit and proper in the best interest of the Company and the Offer, without requiring any further approval of the members and that all or any of the powers conferred on the Company and the Board pursuant to these resolutions may be exercised by the Board or such Committee thereof as the Board may constitute in its behalf."

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and execute the Offer Document (including Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus), Bid Cum Application Form, appointment of BRLM, Registrar to the Offer, Banker(s) to the Offer, Refund banker(s), Depository Participants, Monitoring Agency, Custodians, Legal Advisors to the Offer, Peer Review Auditor, Underwriters, as may be applicable, and such other intermediaries as specified in the applicable laws, rules, regulations and guidelines, for the time being in force, and as may be deemed necessary to carry out/settle any question arising out of or in relation to the proposed issue, enter into stand-by-arrangement with Brokers / Bankers for the whole or the part of the Offer and on such terms and conditions within the broad framework of parameters as prescribed by the concerned Authorities, and do all such acts, deeds and things as it may, in its sole discretion, deem necessary and settle any or all matters arising with respect to the Offer, allotment and utilization of the proceeds of the issue of Equity Shares and further do all such acts, deeds and things and finalize and execute all such deeds, documents, agreements and writings, and such other activities as may be necessary for the purpose of giving effect to all the resolutions pertaining to the proposed initial public offering, without requiring any further approval of the members and that all or any of the powers conferred on the Company and the Board vide this resolution may be exercised by the Board or such Committee thereof as the Board may constitute in this regard.

"RESOLVED FURTHER THAT the Equity Shares issued or transferred pursuant to the Offer shall be listed at one or more recognized stock exchanges in India."

"RESOLVED FURTHER THAT

- a) all monies received by the Company out of the Offer and allotment of the Equity Shares to the public shall be transferred to a separate bank account in accordance with sub-section (3) of Section 40 of the Companies Act, 2013;
- b) the use of all monies referred to in clause a) above and as lying in a separate bank account shall be subject to monitoring by the monitoring agency, if applicable in





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



accordance with the SEBI ICDR Regulations and as disclosed in the Offer Documents;

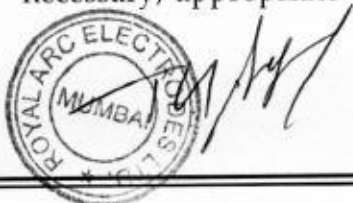
- c) details of all monies utilized out of the Offer as referred to above shall be disclosed and continued to be disclosed until the time any part of the Offer proceeds remains unutilized under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilized; and
- d) details of all unutilized monies out of the Offer, if any, as referred to above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things necessary under applicable provisions of laws, rules and regulations and subject to approvals, consents, permissions and sanctions from any authority/ies for the listing of Equity Shares on the Stock Exchanges in India, and to enter into agreements, deeds, documents and/or incur costs in connection with the said listing, and to enter into depository arrangements to enable members of the Company to trade in Equity Shares in a dematerialized form with regard to any such issue or allotment as it may in its absolute discretion deem fit and all such other acts necessary for the listing without being required to seek any further consent or approval of the members."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and sign and execute such documents and writs and give such directions, as may be necessary or desirable to give effect to this resolution."

"RESOLVED FURTHER THAT subject to compliance with Applicable Laws such Equity Shares as are not subscribed may be disposed of by the Board in consultation with the BRLM to such persons and in such manner and on such terms as the Board in its absolute discretion thinks most beneficial to the Company including offering or placing them with banks/financial institutions/investment institutions/mutual funds /bodies corporate/such other persons or otherwise."

"RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally or jointly authorized to execute and deliver any and all other documents, papers or instruments, issue and provide certificates and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



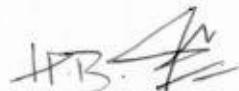
the foregoing resolutions for the Offer; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, certified to be true by any Directors of the Company and Company Secretary of the Company be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things, be forwarded to concerned authorities for necessary actions."

For Royal Arc Electrodes Limited




Mr. Bipin Sanghvi
Managing Director
DIN: 00462839

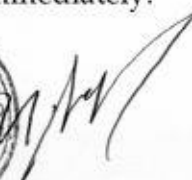

Mr. Hardik Sanghvi
Whole Time Director
DIN 00617415

Place: Mumbai
Date: 03/07/2024

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10%) percent of the total share capital of the company carrying voting rights. A member holding more than ten (10%) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. The Shareholders are requested to notify the change, if any, in their registered address to the Company immediately.







ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



4. Members/ proxies should bring the attendance slip duly filled in for attending the meeting.
5. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
6. The members are requested to intimate to the company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Route map to the venue of the meeting from "Malad Station" is produced here:





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



EXPLANATORY STATEMENT [PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013]

ITEM No: 03

The Company needs to raise funds to contribute towards the equity infusion which is required for expansion of the business of Company. Therefore to meet such requirements it is proposed to offer, issue and allot equity shares to the public.

It is estimated that the funding requirement will not exceed Rs. 50,00,00,000/- (Rupees Fifty Crore only) for the aforesaid purposes. The detailed terms and conditions will be determined in consultation with the Lead Manager, Consultants, Advisors, Underwriters and/or such other intermediary agencies as may be appointed for the issue. Wherever necessary and applicable the pricing of the issue will be finalized in accordance with the applicable guidelines, in force, of SEBI and other relevant authorities.


In terms of provisions of the Companies Act, 2013 consent of members is required for allotment of further equity shares to any person other than the existing shareholders. Consent of the members is therefore sought to authorise the Board of Directors to offer, issue and allot equity shares.


The Directors are satisfied that this resolution would be in the interest of the Company and its members and accordingly recommend to pass the resolution as special resolution.

Directors their relatives and Key Managerial Personnel and who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

For Royal Arc Electrodes Limited




Mr. Bipin Sanghvi
Managing Director
DIN: 00462839


Mr. Hardik Sanghvi
Whole Time Director
DIN 00617415

Place: Mumbai
Date: 03/07/2024



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



Form No. MGT-11

Proxy Form

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

Name of the Company: Royal Arc Electrodes Limited	
CIN	: U31100MH1996PLC096296
Registered office	: 72 B, Bombay Talkies Compound, S.V. Road, Malad West, Mumbai 400064

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. _____ of _____ having e-mail id _____, or failing him,
2. _____ of _____ having e-mail id _____, or failing him,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Annual General Meeting** of members of the Company, to be held on **Saturday, 6th July, 2024 at 10 A.M.** at the registered office of the Company at 72 B, Bombay Talkies Compound, S.V. Road, Malad West, Mumbai 400064, and at any adjournment thereof in respect of such resolutions as are indicated in the Notice calling Annual General Meeting.

Signed this Day of....., 2024

Signature of Shareholder
Name of Shareholder:

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

Affix Revenue Stamp

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





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



Attendance Slip

(To be presented at the entrance)

ANNUAL GENERAL MEETING

SATURDAY, THE 6TH DAY OF JULY 2024

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

Folio No.:

Name of Member Signature

Name of Proxy Signature
(If Any)

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





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the Annual Report, together with the audited financial statements for the financial year ended on 31st March, 2024:

1) FINANCIAL RESULTS:

The following are the financial results of the Company for the year ended on 31st March, 2024.

Particulars	Amount in Lakhs	
	Year ended on 31 st March, 2024	Year ended on 31 st March, 2023
Revenue:		
Revenue from Operations	10,010.73	9,731.90
Other Income	88.52	71.57
Total Revenue	1,00,99.25	9,803.47
Expense:		
Depreciation & Amortization Expenses.	180.85	185.21
Other Expenses	8,287.31	8,295.91
Total Expenses	8,468.16	8,481.12
Profit/(Loss) Before Tax	1,631.09	1,322.35
Less: Provision for Tax		
(1) Current Tax Expense	425.00	364.84
(2) Deferred Tax	(12.02)	(16.86)
(3) Prior Period Tax Expense	5.29	4.84
Profit/(Loss) After Tax	1212.82	969.55

2) PERFORMANCE OVERVIEW:

The Company is carrying its activities in manufacturing of Welding Electrodes, CO2 wire, Tig wire, Flux core wire and Grinding Wheels. The total sales and other income of the Company were Rs. 100.99 Cr. during the period under review as compared to Rs. 98.03 Cr. of the previous financial year 2022-2023. The net profit of the Company for the year increased to Rs. 12.13 Cr. as



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



compared to that of Rs. 9.69 Cr. during the previous financial year. Your Company is committed to steady and sustainable growth of the Company and in challenging business environment the Company has strived to maintain the growth momentum.

3) TRANSFER TO RESERVE:

During the year under review, no sum has been transferred to General Reserves of the Company.

4) DIVIDEND:

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

5) SHARE CAPITAL:

As on March 31, 2024, the issued, subscribed and paid up share capital of the Company stood at Rs. 9,30,02,000/- comprising of 93,00,200 Equity Shares of Rs. 10/- each.

The authorised share capital of Company is Rs. 18,00,00,000/- comprising of 1,80,00,000 Equity Shares of Rs. 10/- each.

During the year the Company has increased its authorised Capital from Rs. 2 Cr. to Rs. 18 Cr. and issued the Bonus Shares by allotment of 74,80,200 (Seventy Four Lakhs Eighty Thousand Two Hundred Only) Equity shares on 1st February, 2024 pursuant to the approval of members at the Extra-Ordinary General Meeting held on 20th January, 2024 in the proportion of 411 (Four Hundred and Eleven) equity shares for every 100 (Hundred) existing equity share held by the existing Members whose name appear in the Register of Members on the record date i.e. 25th January, 2024.

The Company has not issued shares with differential voting rights nor has issued any Sweat Equity. As on March 31, 2024, none of the Directors of the Company hold any convertible instruments of the Company.

6) BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company is well supported by the knowledge and experience of its Directors. During the period under review the company has appointed 3 Independent Directors, 2 KMP and changed the designation of Director as mentioned below:






ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgrs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



Sr. No.	Name of the Person	Designation	Date of Event
1.	Mr. Bipin Shantilal Sanghvi	Chairman and Managing Director	Director since 15/01/1996, Appointed as Chairman and Managing Director w.e.f. 16 th January, 2024
2.	Mrs. Jayna B Mehta	Non-Executive & Independent	16 th January, 2024 for the term of 5 years
3.	Mr. Rahul Rajan Vattamparambil	Non-Executive & Independent	
4.	Mr. Kunal Kamlesh Turakhia	Non-Executive & Independent	
5.	Mr. Hardik Bipin Sanghvi	Chief Financial Officer (CFO)	Director since 01/12/2012, Appointed as Chief Financial Officer (CFO) w.e.f. 16 th January, 2024
6.	Mrs. Mansi Maulik Bagadiya	Company Secretary	1 st February, 2024
7.	Mrs. Mansi Maulik Bagadiya	Compliance Officer	6 th March, 2024

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and not debarred or disqualified by the Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Director of the Company.

Further all the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7) MEETINGS:

A. Board Meetings:

During the year, the Board of Directors met 11 (Eleven) times, details of which are as follows:





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



Sr. No	Date of Board Meeting	Name of Director and Attendance details					
		Mr. Bipin Shantilal Sanghvi	Mr. Hardik Bipin Sanghvi	Mr. Swagat Bipin Sanghvi	Mr. Kunal Kamlesh Turakhia	Mrs. Jayna B Mehta	Mr. Rahul Rajan Vattamparambil
1.	05-05-2023	Present	Present	Present	NA	NA	NA
2.	06-05-2023	Present	Present	Present	NA	NA	NA
3.	16-05-2023	Present	Present	Present	NA	NA	NA
4.	31-08-2023	Present	Present	Present	NA	NA	NA
5.	04-09-2023	Present	Present	Present	NA	NA	NA
6.	06-10-2023	Present	Present	Present	NA	NA	NA
7.	27-10-2023	Present	Present	Present	NA	NA	NA
8.	11-12-2023	Present	Present	Present	NA	NA	NA
9.	16-01-2024	Present	Present	Present	NA	NA	NA
10.	01-02-2024	Present	Present	Present	Present	Present	Present
11.	06-03-2024	Present	Present	Present	Present	Present	Present

NA - Not Applicable

B. Committee Meetings:

During the period under review following committees were formed on 1st February, 2024:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

1 (One) meeting each of Audit Committee and Nomination and Remuneration Committee was held on 6th March, 2024 respectively. No meeting was held of Stakeholders Relationship Committee.

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



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



C. General Meetings:

Following General Meetings were held during the period under review

Type of Meeting	Date	Venue
Extraordinary General Meeting	29 th May, 2023	72 B, Bombay Talkies Compound, S.V. Road, Malad West, Mumbai - 400064
Annual General Meeting	30 th September, 2023	
Extraordinary General Meeting	20 th January, 2024	
Extraordinary General Meeting	07 th March, 2024	

8) NOMINATION AND REMUNERATION POLICY:

The Company's has formulated the policy on Directors appointment and remuneration and other matters provided in Section 178(3) of the Act. The Nomination and Remuneration Policy of the Company is also posted on the website of the Company.

9) EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure "A".

10) CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to Section 135 of the Companies Act, 2013, the Company has put in place a Policy to look after its Corporate Social Responsibility initiatives.

However The Ministry of Corporate Affairs vide Notification No. G.S.R. 40(E) dated 22nd January, 2021 issued the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, pursuant to which, new sub-section (9) inserted by Companies (Amendment) , Act, 2020 provides that where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall be discharged by the Board of Directors of such company.

Pursuant to above amendment the Board looks after the functions of CSR.

In pursuance of CSR Policy, the Company has made aggregate contributions of Rs. 12.26 lakh towards its CSR activities during the financial year. The Annual Report on CSR activities is attached with this Report as Annexure "B".





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



11) DEPOSITS:

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

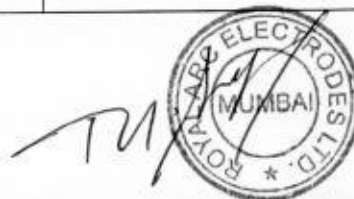
12) DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

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

(A) Conservation of energy	
(i) the steps taken or impact on conservation of energy	The Company continues efforts with regard to energy conservation and management through improved manufacturing technologies and rationalization.
(ii) the steps taken by the company for utilizing alternate sources of energy	
(iii) the capital investment on energy conservation equipment's	
(B) Technology absorption	
(i) the efforts made towards technology absorption	The Company has not imported any technology during the year.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development

(C) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and

The Foreign Exchange outgo during the year in terms of actual outflows

1. Total Foreign Exchange Earnings (Value of Exports) Rs. 1441.3/- Lakhs.

2. Total Foreign Exchange outgo (Value of Import) Rs. 16.16/- Lakhs

14) INFORMATION OF EMPLOYEES:

Details pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended w.e.f. 30th June, 2016, of employee drawing remuneration more than Rs. 1,02,00,000/- per annum, when employed throughout the year or Rs. 8,50,000/- per month, when employed for a part of the year are provided as per Annexure "C".

15) SIGNIFICANT MATERIAL ORDER PASSED BY THE REGULATIONS:

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

16) MATERIAL CHANGES AND COMMITMENTS:

During the year there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of the Board of Director's report.

17) AUDITORS AND AUDITORS' REPORT:

M/s. BAGADIYA & JAIN., Chartered Accountant, Ahmedabad, (Firm Registration No.: 128719W), were appointed as statutory auditors of the Company in the Annual General Meeting of the Company held on 31st December 2020 to hold the office as a statutory auditors for a period of five (5) years from the conclusion of that i.e. 24th Annual General Meeting till the conclusion of





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



29th Annual General Meeting of the Company to be held in 2025 at remuneration as may be decided by the board in consultation with statutory auditors, subject to ratification by the members at the every subsequent Annual General Meeting. However, pursuant to the Ministry of Corporate Affairs (MCA) notification, no ratification of appointment of statutory auditors at every Annual General Meeting is required. Accordingly, the Company is not required to pass any resolution pertaining of the appointment of Statutory Auditors in any further Annual General Meeting.

18) AUDITORS' REPORT:

The Auditor's report is self-explanatory.

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

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

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

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

21) REASONS FOR REVISION OF FINANCIAL STATEMENT OR REPORT:

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

22) DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



23) FORMAL EVALUATION BY BOARD OF ITS OWN PERFORMANCE:

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

24) VIGIL MECHANISM:

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

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

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

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

26) ANALYSIS OF REMUNERATION:

The Company is not listed on any recognized stock exchange; hence disclosure regarding the ratio of the remuneration of each Director to the median employee's remuneration and other details are not applicable to the Company.

27) RISK MANAGEMENT POLICY:

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

The block contains a handwritten signature in black ink, followed by two circular stamps. Each stamp contains the text 'ROYAL ARC ELECTRODES LTD.' around the perimeter and 'MUMBAI' in the center.



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



28) CORPORATE GOVERNANCE:

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

29) DEMATERIALIZATION OF SHARES:

As per Rule 9A sub-section (4), Every unlisted public company shall facilitate dematerialisation of all its existing securities by making necessary application to a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 and shall secure International security Identification Number (ISIN) for each type of security and shall inform all its existing security holders about such facility.

Being a Public unlisted Company, Your Company had appointed Maashitla Securities Private Limited as your RTA which has been now changed to KFin Technologies Limited to facilitate dematerialisation of all its existing securities by making necessary application to a depository.

All the Equity Shares of the Company are in dematerialized form with either of the depositories viz. NSDL and CDSL. The ISIN No. allotted is INE0EO401019.

Your Company has also filed form PAS-6 with all the details such as ISIN, details of capital, Details of changes in share capital half-yearly with the ROC during the period under review.

Your company is continuously complying with all the norms and makes timely payment of fees (admission as well as annual) to the depository and registrar and share transfer agent as in accordance with the agreement executed between the parties.

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

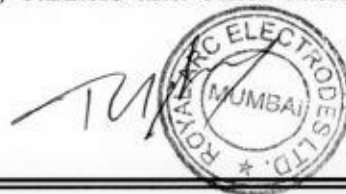
The particulars of loans, guarantees and investments have been disclosed in the financial statements.

31) RELATED PARTY TRANSACTION:

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

32) ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from the shareholders, financial institutions, bankers and other business constituents





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES


72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296




during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment by all officers and staff for their continued support during the year.

For Royal Arc Electrodes Limited




Mr. Bipin Sanghvi
Managing Director
DIN: 00462839


Mr. Hardik Sanghvi
Whole Time Director
DIN 00617415

Place: Mumbai
Date: 03/07/2024



ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



Annexure A to Board Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2024 [Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	U31100MH1996PLC096296
ii.	Registration Date	15 th January, 1996
iii.	Name of the Company	ROYAL ARC ELECTRODES LIMITED
iv.	Category / Sub-Category of the Company	Company having Share Capital / Indian Non-Government Company
v.	Address of the Registered office and contact details	72 B, Bombay Talkies Compound, S.V. Road, Malad West, Mumbai -400064, Maharashtra, India Email: cs@royalarc.in , Tel: +91 7888000553, Website: www.royalarc.in
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFIN TECHNOLOGIES LIMITED Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India Tel No.: +91 40 6716 2222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company:-

SN	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Manufacturing	-	100%





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	181980 0	0	1819800	99.99%	929 917 8	0	9299178	100.00%	0.00%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt (s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corporates	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Bank/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL: (A)									
(1)	181980 0	0	1819800	99.99%	929 917 8	0	9299178	100.00%	0.00%
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL: (A) (2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total Shareholding of Promoter (A) : (A)(1)+(A)(2)	181980 0	0	1819800	99.99%	929 917 8	0	9299178	100.00%	0.00%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Fund	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIS	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(1):	0	0	0	0.00%	0	0	0	0.00%	0.00%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	200	200	0.01%	0	1022	0	0.01%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders	0	0	0	0.00%	0	0	0	0.00%	0.00%





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



holding nominal share capital upto Rs.1 lakhs									
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Others (specify NRI)	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(2):	0	200	200	0.01%	0	1022	0	0.01%	0.00%
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	200	200	0.01%	0	1022	0	0.01%	0.00%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)	200	1819800	1820000	100.00%	0	9300200	9300200	100.00%	0.00%

ii) Shareholding of Promoters & Promoter Group:

SN	Shareholder's Name	Shareholding at beginning of the year 01/04/2023			Shareholding at the end of the year 31/03/2024			
		No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	% Change
1	Bipin Sanghvi	1,74,700	9.60%	Nil	8,92,717	9.60%	Nil	Nil
2	Hardik Sanghvi	5,25,000	28.85%	Nil	26,82,750	28.85%	Nil	Nil





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



3	Ami H. Sanghvi	1,25,000	6.87%	Nil	6,38,750	6.87%	Nil	Nil
4	Swagat Sanghvi	5,25,000	28.85%	Nil	26,82,750	28.85%	Nil	Nil
5	Pooja S. Sanghvi	1,25,000	6.87%	Nil	6,38,750	6.87%	Nil	Nil
6	Tarulata B Sanghvi	3,45,100	18.96%	Nil	17,63,461	18.96%	Nil	Nil
	TOTAL	18,19,800	99.99%		92,99,178	99.99%	Nil	Nil

iii) Change in Promoters Shareholding (please specify, if there is no change)

There is a change. Refer IV(ii) above.

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Not Applicable

v) Shareholding of Directors and Key Managerial Personnel

A. Directors

Bipin Sanghvi, Hardik Sanghvi and Swagat Sanghvi - Promoter Director - Kindly refer IV(ii).

B. Key Managerial Personnel

SN	Shareholder's Name	Shareholding at beginning of the year 01/04/2023			Shareholding at the end of the year 31/03/2024			
		No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	% Change
1	Hardik Sanghvi	5,25,000	28.85%	Nil	26,82,750	28.85%	Nil	Nil
2	Mansi Bagadiya	Nil	Nil	Nil	Nil	Nil	Nil	Nil





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Rs. In lakhs) Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	14.14	-	14.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	14.14	-	14.14
Change in Indebtedness during the financial year				
Addition	-	40.99	-	40.99
Reduction	-	39.09	-	39.09
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	-	16.04	-	16.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	16.04	-	16.04





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Bipin Sanghvi (CMD)	Mr. Hardik Sanghvi (WTD)	Mr. Swagat Sanghvi (WTD)	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	65.77	65.77	65.77	197.31
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify....Bonus	60.00	60.00	60.00	180.00
5	Others (Company contribution towards PF, Medical Reimbursement)	0.22	0.22	0.22	0.66
	Total	125.99	125.99	125.99	377.97
	Ceiling as per the Act	180.00	180.00	180.00	

B. Remuneration to other Directors:

Except Managing Director & Whole Time Director, none of the others Directors are paid remuneration.





ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LTD[®]

Mfgs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai - 400 064, Maharashtra, India.
Email : info@royalarc.in Mob.: +91 7888000553
Website: www.royalarc.in
CIN: U31100MH1996PLC096296



C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Name of KMP		(Rs. In lakhs)
		Mr. Hardik Sanghvi (CFO)	Mrs. Mansi Bagadiya (CS)	Total Amount
1	Gross Salary			
	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	65.77	0.45	66.21
	Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify.... Bonus	60.00	-	60.00
5	Others (Company contribution towards PF, Medical Reimbursement)	0.22	-	0.22
	Total	125.99	0.45	126.43

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL



Annexure - B

1. Brief outline on CSR Policy of the Company:

The Company's CSR policy is based on the firm belief that there can be nothing better than enriching the human capital of the society which can provide a sustainable socio-economic impact. Company strives to have a positive impact on the communities in which we live and operate. The Company's CSR initiative has been directed to provide to the most economically and socially marginalized people, particularly children, women and the differently-abled, an easy access to better education, vocational training, health care and rural development.

2. Composition of CSR Committee- **Not Applicable pursuant to Notification No. G.S.R. 40(E) dated 22nd January, 2021 issued the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021**
3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: **Not applicable as company so not have any web site.**
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any **Not Applicable**
6. Average net profit of the company as per section 135(5): **Rs. 6,12,92,171/-**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 12,25,843/-**
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: **Not applicable**
(c) Amount required to be set off for the financial year, if any: **NIL**
(d) Total CSR obligation for the financial year (7a+7b-7c). **Rs. 12,25,843/-**



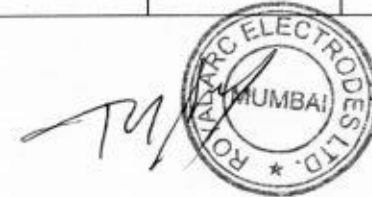
8. (a) CSR amount spent or unspent for the financial year:

Total amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
Rs. 12,26,000/-	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not applicable**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SI No.	Name of the project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the Project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration No.
1.	Kalawati Devi Memorial Charitable Society	Upliftment of Eco - Socio backward Society by Providing Health	Yes	Maharashtra	Maharashtra	Rs.12,26,000/-	Yes	Kalawati Devi Memorial Charitable Society	CSR00035323



		Education and Self-Employment.							
	TOTAL					Rs.12,26,000/-			

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **Rs. 12,26,000/-**

(g) Excess amount for set off, if any

SI No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 12,25,843/-
(ii)	Total amount spent for the Financial Year	Rs. 12,26,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 157/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.



Particulars of Employees
Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No	Names	Designation	Relation with any Director/CEO of the Company	Nature of Employment	Date of Commencement of Employment	Qualification and Experience	Remuneration Annum (INR in Lakhs)	Shareholding %	Last Employment
1	Mr. Bipin Sanghvi	Chairman & Managing Director (CMD)	Father of WTD	Full Time Employee	15-01-1996	7th	125.99	9.60%	-
						Master's Degree in Business Administration in International Business from University of East London			
2	Mr. Hardik Sanghvi	Whole Time Director & CFO (WTD)	Son of CMD	Full Time Employee	01-12-2002		125.99	28.55%	-
3	Mr. Swagat Sanghvi	Whole Time Director	Son of CMD	Full Time Employee	16-08-2010	10th	125.99	28.55%	-

Note: Remuneration includes salary, bonus, commission, various allowances, performance incentive and contribution to provident fund.



Independent Auditor's Report

To the Members of **Royal Arc Electrodes Limited**

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Royal Arc Electrodes Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements gives the information as required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and its cash flows for the year ended on that date.

Basis of Opinion

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

Information other than the financial statements and auditors' report thereon

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



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

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

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

Management's responsibility for the financial statements

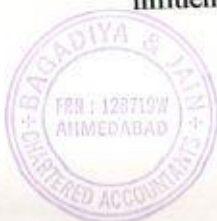
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of the underlying financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with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

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We



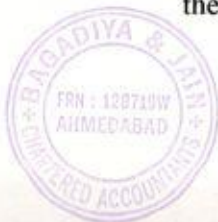
describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by Central Government of India in terms of section 143 (11) of the Companies Act, 2013("the Act"), we give in the Annexure hereto a statement on the matters specified in Paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with Accounting Standards notified under the Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) In our opinion, the managerial remuneration for the year ended 31 March 2024 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The company does not have any pending litigation cases which would impact its financial statements as of March 31, 2024;
- ii. In our opinion and as per the information and explanations provided to us, the company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company
- iv.
 - a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entity, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, 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 on behalf of the Ultimate beneficiaries;
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed any final dividend for the year.
- vi. Based on our examination which included test checks, the Company has used the Tally Prime accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility in respect of the application and the same has operated throughout the year for all relevant transactions. We did not



come across any instance of the audit trail feature being tampered with in respect of accounting software.

As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the period ended as on 31st March, 2024.

For, **BAGADIYA & JAIN**
CHARTERED ACCOUNTANTS
FRN: 128719W

R. N. Bagadia
Rishit Bagadia

Partner

M. No. 123327

UDIN: 24123327BKESQF3188

Place: Ahmedabad

Date: 03/07/2024



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

- (i)
- a)
- (A) The company has maintained reasonable records showing full particulars, including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
- (B) The company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of verification to cover all the items of Property, Plant and Equipment (PPE) in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain PPE were physically verified by management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, original title deeds of following immovable properties have been lodged with bank for obtaining secured loans as per details given below:

Details of Immovable Assets	Name of Bank	Available documents for verification
Land & Building	HSBC Bank Limited Exclusive charge on Industrial property located at Plot No. 6, Survey No. 91/Paiki-4 of Village Zaroli, Bhilad Road, Valsad, Gujarat - 396105	Certified list and photocopies of documents

- d) Company has adopted historical cost model for accounting for Property, Plant and Equipment, hence no revaluation has been carried out by the company.
- e) According to information and explanations given to us and as a result of our audit procedures, in our opinion, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



(ii)

- a) As explained to us, the inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories procedures performed as applicable, when compared with the books of account.
- b) According to information and explanations given to us and relevant records produced, the company has been availing sanctioned working capital credit facilities of Rs 11.50 crores during the year, from banks or financial institutions on the basis of security of current assets.

As per records verified by us, in our opinion, the said quarterly statements filed with the bank are not in agreement with the books of accounts of the company. The quarterly variances of the Trade receivables and Trade payables with the quarterly stock statements submitted with the Bank is as under:

(Rs. in lakhs)

Particulars	Quarter	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference
Trade Receivables	1	1,740.98	1,744.91	(3.93)
	2	1,849.42	1,842.49	6.93
	3	2,051.76	2,056.85	(5.09)
	4	2,068.91	2,087.46	(18.55)
Trade Payables	1	310.97	297.36	13.61
	2	409.87	335.93	73.94
	3	410.27	406.42	3.85
	4	387.70	434.73	(47.03)

The Company does not have a system of carrying out inventory valuation on a quarterly basis. Therefore, the value of Stock given to the bank is not included in above table.

(iii)

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability



partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to (f) of the Order are not applicable to the Company.

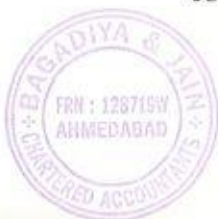
- b) According to the information and explanations given to us and based on our audit procedures, we are of opinion that the company does not given any guarantees and securities during the year and hence, provisions of clauses 3(iii)(b) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the Act in respect of the grant of loans, making investments, and providing guarantees and securities, as applicable.
- (v) Based on our examination of records and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the relevant rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii)
- a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of the statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, details of dues which have not been deposited as on March 31, 2024 on account of disputes are given below:

(Rs. in lakhs)

Name of the Statute	Nature of Dues	Disputed Amount (net off appeal deposits)	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



- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order does not arise.
- (ix)
- a) According to the information and explanation and as verified from books of accounts, the company has not defaulted in repayment of loans or interest thereon to any lender.
- b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. Accordingly, reporting under clause 3(ix) (b) of the order does not arise.
- c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds have been raised on short-term basis which has been used for long-term purposes by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries, joint venture and associates and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the company.
- b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to the company.



- (xi)
- a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - b) To the best of our knowledge and information available with us there is no instance of fraud reportable under sub-section (12) of section-143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As per information and explanation given by management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b)(c) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, based on our examination of the records of the company, transactions with the related parties are in compliance with section 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, as the company is an unlisted public company, the provisions of section -177 relating to audit committee is not applicable.
- (xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013 and hence the reporting under clause 3(xiv)(a)(b) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with its directors or persons connected with him and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, clause 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order are not applicable. In our opinion, as the company is not a Core Investment Company, the clause 3(xvi)(d) of the order is not applicable.



- (xvii) Based on our examination of the records and according to the information and explanation given to us, the Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 36 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For, **BAGADIYA & JAIN**
CHARTERED ACCOUNTANTS
FRN: 128719W

R. H. Bagadia



Rishit Bagadia
Partner
M. No. 123327
UDIN: 24123327BKESQF3188

Place: Ahmedabad
Date: 03/07/2024

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Royal Arc Electrodes Limited** ("the Company") as of 31 March, 2024.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an



understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors'

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2024, based on the internal control over



financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **BAGADIYA & JAIN**
CHARTERED ACCOUNTANTS
FRN: 128719W

R. H. Bagadia



Rishit Bagadia
Partner
M. No. 123327
UDIN: 24123327BKESQF3188

Place: Ahmedabad
Date: 03/07/2024

Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Balance Sheet as at 31 March 2024

(Rs. in '00000)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	930.02	182.00
(b) Reserves and Surplus	3	3,300.85	2,886.33
		4,230.87	3,068.33
(2) Non-current liabilities			
(a) Long-term Borrowing	4	-	43.03
(b) Deferred Tax Liabilities (net)	5	74.54	86.57
(c) Other Long-term Liabilities	6	26.65	83.94
(d) Long-term Provisions	7	44.45	-
		145.64	213.54
(3) Current liabilities			
(a) Short-term Borrowings	8	19.71	98.68
(b) Trade Payables	9		
- Dues to MSME		350.86	258.97
- Dues to Others		187.41	519.92
(c) Other Current Liabilities	10	165.52	122.79
(d) Short-term Provisions	7	124.64	89.71
		848.14	1,090.07
Total		5,224.65	4,371.94
II ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	11		
(i) Property, Plant and Equipment		1,625.02	1,393,1691
(ii) Intangible Assets		0.45	1,1304
(iii) Capital Work in Progress		98.56	2,6454
		1,724.03	1,396,9548
(b) Non-Current Investments	12	222.57	135,5237
(c) Other Non-Current Assets	13	71.64	39,7357
		2,018.24	1,572,2142
(2) Current assets			
(a) Inventories	14	904.22	606.69
(b) Trade Receivables	15	2,067.72	1,643.72
(c) Cash and Bank Balances	16	95.66	301.89
(d) Short-term Loans and Advances	17	122.83	202.20
(e) Other Current Assets	18	15.98	45.24
		3,206.41	2,799.74
Total		5,224.65	4,371.94
Significant accounting policies			
1			

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For, **Bagadiya & Jain**
Chartered Accountants
FRN: 128719W

Rishit M. Bagadia
Partner
M. No.: 123327
UDIN: 24123327BKESQF3188

Place: Ahmedabad
Date: 03/07/2024



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: 03/07/2024

Swagat Sanghvi
Whole-time director
DIN No.: 01695341

Mansi Bagadiya
Company Secretary
M. No.: A56143

Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Statement of Profit and Loss for the year ended 31 March 2024

(Rs. in '00000)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
I Revenue from Operations	19	10,010.73	9,731.90
II Other Income	20	88.52	71.57
III Total Income (I+II)		10,099.25	9,803.47
IV Expenses:			
(a) Cost of Materials Consumed	21	6,383.68	6,468.15
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
(c) Employee Benefit Expense	22	209.13	221.59
(d) Finance Cost	23	773.57	673.72
(e) Depreciation and Amortization Expense	24	9.89	60.84
(f) Other Expenses	25	180.85	185.21
	26	911.04	871.61
Total Expenses		8,468.16	8,481.12
V Profit / (Loss) Before exceptional and extraordinary items and tax (III - IV)		1,631.09	1,322.35
VI Exceptional and Extra-ordinary Items		-	-
VII Profit / (Loss) before tax (V - VI)		1,631.09	1,322.35
VIII Tax expense:			
(1) Current Tax Expense		425.00	364.82
(2) Deferred Tax		(12.02)	(16.86)
(3) Prior Period Tax Expense		5.29	4.84
IX Profit (Loss) For The Period (VII - VIII)		1,212.82	969.55
X Earnings per Share	27		
Basic		13.04	10.43
Diluted		13.04	10.43
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For, Bagadiya & Jain
Chartered Accountants
FRN: 128719WRishit M. Bagadia
Partner
M. No.: 123327
UDIN: 24123327BKESQF3188Place: Ahmedabad
Date: 03/07/2024For and on behalf of the Board of Directors
Royal Arc Electrodes LimitedBipin Sanghvi
Managing Director
DIN No.: 00462839Hardik Sanghvi
Chief Financial OfficerPlace : Mumbai
Date: 03/07/2024Swagat Sanghvi
Whole-time director
DIN No.: 01695341Mansi Bagadiya
Company Secretary
M. No.: A56143

Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Cash flow statement for the year ended 31 March 2024

(Rs. in '00000)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
[A] CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	1,631.12	1,322.37
<u>Adjustments:</u>		
(1) Non-cash and Non-operating Expenses:		
Depreciation / Amortisation Expenses	180.85	185.21
Loss on sale of assets	-	25.56
Finance Cost	9.89	60.84
(2) Non-operating Income:		
Rent Income	(0.18)	-
Profit on sale of asset	(0.39)	-
Dividend income	(0.12)	(0.12)
Interest Income	(15.61)	(4.20)
Operating Gain before working capital changes	1,805.56	1,589.66
<u>Adjustments for:</u>		
Increase/(Decrease) in Trade Payables	(240.63)	(243.49)
Increase/(Decrease) in Other Current Liabilities	42.74	29.09
Increase/(Decrease) in Short-Term Provisions	54.38	16.53
Increase/(Decrease) in Long-Term Provisions	7.53	-
(Increase)/Decrease in Inventories	(297.53)	477.23
(Increase)/Decrease in Trade Receivables	(424.00)	(335.01)
(Increase)/Decrease in Short-term Loans & Advances	(326.19)	(368.98)
(Increase)/Decrease in Other Current Assets	29.25	100.86
Operating Gain after working capital changes	651.11	1,265.89
<u>Other Adjustments:</u>		
(Increase)/Decrease in Other non-current assets	(23.62)	21.92
Cash generated from operating activities before taxes	627.49	1,287.81
Less: Direct Taxes Paid (Net of Refunds)	65.86	29.15
Net Cash provided/(used) by operating activities [A]	561.63	1,258.66
[B] CASH FLOW FROM INVESTING ACTIVITIES:		
(Purchase) / Sale of assets	(507.54)	(117.45)
(Purchase) / Sale of Investments	(87.05)	(133.49)
Interest received	15.61	4.20
Dividend income	0.12	0.12
Rent received	0.18	-
Net Cash provided/(used) by Investing activities [B]	(578.68)	(246.62)
[C] CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Repayment) in Long-term borrowing	(43.03)	(109.04)
Increase/(Decrease) in Other Long term liabilities	(57.28)	(14.89)
Increase/(Decrease) in Short-term Borrowings	(78.98)	(530.50)
Finance Cost	(9.89)	(60.84)
Net Cash provided/(used) by Investing activities [C]	(189.18)	(715.27)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(206.23)	296.77
Opening Cash & Cash Equivalents	301.89	5.12
Closing Cash & Cash Equivalents	95.66	301.89



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Cash flow statement for the year ended 31 March 2024

(Rs. in '00000)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Notes:		
1 Cash and Bank Balances:		
1) Cash and Cash equivalents		
Cash on Hand	7.86	9.88
Balance with Scheduled Banks		
-in Current account	87.25	140.39
2) Other bank balances		
Fixed Deposit held as margin money	0.55	0.28
Bank deposits with original maturity for more than 3 months but less than 12 months from reporting date.	-	151.34
Closing Cash and Cash Equivalents	95.66	301.89

2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3(AS-3)' Cash Flow Statement).

3 Previous year figures have been regrouped wherever necessary.

As per our report of even date attached

Fos, Bagadiya & Jain

Chartered Accountants

FRN: 128719W

Rishit M. Bagadia
Partner

M. No.: 123327

UDIN: 24123327BKESQF3188

Place: Ahmedabad

Date: 03/07/2024



For and on behalf of the Board of Directors

Royal Arc Electrodes Limited

Dipin 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: 03/07/2024

Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024

Note 1

Significant Accounting Policies

1. Basis of Accounting:

The financial statements have been prepared in conformity with the generally accepted accounting principles to comply in all 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. Revenue Recognition:

- i. Revenue from sales is recognized as and when the goods are dispatched to the customers and invoice is prepared.
- ii. Other income is recognized on accrual basis and when there is reasonable certainty of its collection.

4. Fixed Assets and Depreciation:

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

5. Intangible Assets:

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



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024

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

6. Investments:

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

7. Inventory Valuation:

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

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

8. Foreign Currency Transactions:

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

9. Retirement Benefits

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

a) Gratuity

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

b) Provident fund

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

c) Leave Encashment

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



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024

10. Borrowing Cost:

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

11. Impairment:

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

12. Tax on Income:

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

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

13. Provisions, Contingent Liabilities and Contingent Assets:

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

14. Government Grants / Subsidy

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



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024

Note 2

Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	(Rs. in '00000)	No. of Shares	(Rs. in '00000)
Authorised Equity Shares of INR 10/- each, with voting rights	1,80,00,000.00	1,800.00	20,00,000.00	200.00
Issued, Subscribed and Fully Paid-Up Equity Shares of INR 10/- each, with voting rights	93,00,200.00	930.02	18,20,000.00	182.00
	93,00,200.00	930.02	18,20,000.00	182.00

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	(Rs. in '00000)	No. of Shares	(Rs. in '00000)
Equity Shares Opening Balance	18,20,000.00	182.00	18,20,000.00	182.00
Add: Bonus issue during the year (*)	74,80,200.00	748.02	-	-
At the end of the year	93,00,200.00	930.02	18,20,000.00	182.00

*74,80,200 Equity shares were allotted as fully paid Bonus Shares by way of Capitalization of Reserves during the year

b. Details of rights, preferences and restrictions attached to the equity shares issued:

Equity Shares

The company has only one class of equity shares.

Each shareholder is entitled to one vote per share with a right to receive per share dividend declared by the company.

The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in case of interim dividend.

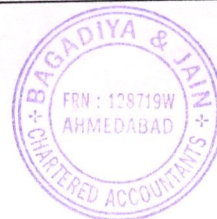
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion their shareholding.

c. Details of shareholders holding more than 5% shares of the company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares				
Bipin Sanghvi	8,92,717	9.60%	1,74,700	9.60%
Hardik Sanghvi	26,82,750	28.85%	5,25,000	28.85%
Ami H. Sanghvi	6,38,750	6.87%	1,25,000	6.87%
Swagat Sanghvi	26,82,750	28.85%	5,25,000	28.85%
Pooja S. Sanghvi	6,38,750	6.87%	1,25,000	6.87%
Tarulata Bipin Sanghvi	17,63,461	18.96%	3,45,100	18.96%

d. Details of Promoter's Shareholding

Promoter Name	As at 31 March 2024		As at 31 March 2023		% Change in the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Bipin Sanghvi	8,92,717	9.60%	1,74,700	9.60%	0%
Hardik Sanghvi	26,82,750	28.85%	5,25,000	28.85%	0%
Swagat Sanghvi	26,82,750	28.85%	5,25,000	28.85%	0%
Tarulata Bipin Sanghvi	17,63,461	18.96%	3,45,100	18.96%	0%



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024**Note 3
Reserves and Surplus**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	2,886.33	1,916.75
Add: Profit/(Loss) for the year	1,212.85	969.58
Less: Bonus issued during the year	(748.02)	-
Less: Effect of first time adoption of AS-15	(58.58)	-
Add: Reclassification from Asset to Deposit	8.27	-
Closing Balance	414.53	969.58
Total	3,300.85	2,886.33

**Note 4
Long-term borrowing**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Term loans		
-From banks		
Secured	-	43.03
Total	-	43.03

Terms & Conditions of Loans:

1) Car Term loans from banks is secured by way of hypothecation of Cars which is repayable in 36 equal monthly installments and carries interest ranging from @ 7.95% payable at monthly rests.

2) Working capital term loan is repayable in 36 equal monthly principal installments @ 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, Bhilad Road, Valsad, Gujarat -396105

Unconditional & irrevocable Guarantee from NCGTC

**Note 5
Deferred Tax Liabilities (Net)**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Deferred tax asset		
- On account of Gratuity and Leave Encashment	18.02	-
- On account of Disallowance under Section-40a(ia)	-	0.60
- On account of Disallowance under Section-43B	1.92	-
Gross deferred tax asset	19.94	0.60
Deferred tax liability		
- On account of Difference between Book and Tax WDV	94.48	87.17
Gross deferred tax liability	94.48	87.17
Net deferred tax liability	74.54	86.57

**Note 6
Other Long-term Liabilities**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Trade deposits and security deposits	26.65	83.94
Total	26.65	83.94



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024**Note 7
Provision**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Long-term provisions		
Provision for employee benefits		
Gratuity	39.38	-
Leave Encashment	5.07	-
	44.45	-
Short-term provision		
Provision for employee benefits		
Gratuity	25.30	-
Leave Encashment	1.84	-
Provision for income tax (Net of advance tax and TDS)	19.44	60.55
Provision for Corporate Social Responsibility	21.84	12.26
Other provisions	56.22	16.90
	124.64	89.71
Total	169.09	89.71

**Note 8
Short-term borrowings**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Loans repayable on demand		
From Banks		
Unsecured	1.97	0.31
From Others		
Unsecured	13.04	14.14
Current maturities of long-term borrowings	4.70	84.23
Total	19.71	98.68

Terms & Conditions of Loans:**All credit facilities are secured by way of:**

1. Exclusive charge on Industrial property located at Plot No. 6, Survey No.91/Paiki-4 of Village Zaroli, Bhilad Road, Valsad, Gujarat - 396105
2. Exclusive charge on the current and movable fixed assets of the company.
3. Personal Guarantee from Bipin Sanghvi, Hardik Sanghvi, Swagat Sanghvi and Tarulata Sanghvi for Rs 130,000,000/- each

Import documentary credit facility and Guarantees/Bonds facility are secured by way of 10% Deposit Under Lien**Note 9
Trade Payables**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Due to Micro, Small and Medium Enterprises	350.86	258.97
Due to Others	187.41	519.92
Total	538.27	778.90



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC098296

Notes to the financial statements for the year ended 31 March 2024**Trade Payable Ageing Schedule as at 31 March 2024**

Particulars	Outstanding for following period 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	-	-	-	-	-
	533.77	0.65	3.84	-	538.27

Trade Payable Ageing Schedule as at 31 March 2023

Particulars	Outstanding for following period 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	-	-	-	-	-
	775.07	3.83	-	-	778.90

Note 10**Other current liabilities**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Advance from customers	7.53	23.88
Statutory remittances	107.68	47.92
Other current liabilities	50.32	50.99
Total	165.52	122.79

Note 12**Non-current investments**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Investment in Property	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
- 10323 Equity Shares of BMC Co. Op. Bank Face Value of Rs.10 each, fully paid-up	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	-
Total	222.57	135.52



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024

(Rs. in '00000)

**Note 11
Property, Plant and Equipment and Intangible Assets**

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Balance As At April 1, 2023	Additions during the year	Deletions during the year	Balance As At March 31, 2024	Balance As At April 1, 2023	Depreciation for the year	Elimination on Disposal of Assets	Balance As At March 31, 2024	Balance As At March 31, 2023
(A) Property, Plant and Equipment									
Computers & Data Processing Units	8.79	1.62	-	10.41	6.63	1.33	-	7.96	2.16
Office Equipment	44.79	1.86	-	46.65	31.58	3.85	-	35.43	13.21
Electrical Installations & Equipment	109.09	-	9.18	99.91	93.53	7.62	8.27	92.87	15.57
Furniture & Fittings	22.77	0.83	-	23.60	14.66	2.35	-	17.01	8.10
Motor Vehicles	65.14	52.03	5.29	111.88	11.39	11.26	3.66	19.00	53.74
Building	787.46	-	-	787.46	276.44	56.72	-	313.16	511.02
Plant & Machinery	1,622.42	359.49	3.50	1,978.41	909.26	111.06	2.23	1,018.09	713.16
Tools	49.66	-	-	49.66	41.52	2.86	-	44.38	8.14
Lab Equipment	57.33	-	-	57.33	52.87	3.11	-	55.98	4.46
Land	63.61	-	-	63.61	-	-	-	63.61	63.61
Total (A)	2,831.06	415.82	17.97	3,228.92	1,437.89	180.17	14.16	1,603.90	1,393.17
Previous Year	2,856.80	233.55	259.29	3,831.06	1,402.47	184.66	149.24	1,437.89	1,484.33
(B) Intangible Assets									
Computers & Data Processing Units (Intangibles)	2.08	-	-	2.08	0.95	0.68	-	1.63	1.13
Total (B)	2.08	-	-	2.08	0.95	0.68	-	1.63	1.13
Previous Year	1.43	0.65	-	2.08	0.40	0.55	-	0.95	1.03
(C) Capital Work in Progress									
Capital Work in Progress	2.65	95.91	-	98.56	-	-	-	98.56	2.65
Total (C)	2.65	95.91	-	98.56	-	-	-	98.56	2.65
Previous Year	34.91	2.65	34.91	2.65	-	-	-	2.65	34.91
Grand Total (A+B+C)	2,835.79	511.74	17.97	3,329.55	1,438.84	180.85	14.16	1,605.53	1,396.94
Previous Year Total	2,893.14	236.84	294.19	2,835.79	1,402.88	185.21	149.24	1,438.84	1,490.26



Notes to the financial statements for the year ended 31 March 2024

Note 13

Other non-current assets

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Security Deposits	69.88	38.03
Less: Provision for doubtful deposits	(1.75)	-
	68.13	38.03
Other Deposits	-	0.20
Prepaid Expenses	2.09	0.19
Bank Deposits	1.42	1.32
Total	71.64	39.74

Note 14

Inventories

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Raw materials	717.62	210.96
Work-in-Progress	34.11	10.55
Finished goods	152.49	385.18
Total	904.22	606.69

Note 15

Trade Receivables

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Receivables outstanding for a period exceeding six months from		
Unsecured, considered good	331.01	500.56
Doubtful	8.73	-
Other receivables		
Unsecured, considered good	1,736.71	1,143.16
Less: Allowance for Bad and Doubtful Debts	(8.73)	-
Total	2,067.72	1,643.72

Trade Receivables Ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from the date of payment					Total
	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, considered good	1,736.71	222.64	106.60	1.25	0.52	2,067.72
Undisputed, considered doubtful	-	-	0.07	-	8.66	8.73
Disputed, considered good	-	-	-	-	-	-
Disputed, considered doubtful	-	-	-	-	-	-
Less: Allowance for Bad and Doubtful Debts	-	-	(0.07)	-	(8.66)	(8.73)
	1,736.71	222.64	106.60	1.25	0.52	2,067.72

Trade Receivables Ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from the date of payment					Total
	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, considered good	1,143.16	446.18	28.71	17.36	8.31	1,643.72
Undisputed, considered doubtful	-	-	-	-	-	-
Disputed, considered good	-	-	-	-	-	-
Disputed, considered doubtful	-	-	-	-	-	-
	1,143.16	446.18	28.71	17.36	8.31	1,643.72



Royal Arc Electrodes Limited
CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024

Note 16

Cash and bank balances

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Cash and cash equivalents		
Cash on hand	7.86	9.88
Balance with banks		
On current accounts	87.25	140.39
On deposit accounts (with original maturity of 3 months or less)	-	-
Other bank balances		
Balances with banks to the extent held as margin money or security against the guarantees	0.55	0.28
Bank deposits with original maturity for more than 3 months but less than 12 months from reporting date.	-	151.34
Total	95.66	301.89

Note 17

Short-term loans and advances

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Balance with revenue authorities	8.32	29.75
Advances to employees	5.46	2.65
Advances to suppliers	109.05	169.80
Total	122.83	202.20

Note 18

Other current assets

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Export Incentive Receivable	9.76	16.04
Accrued interest	2.97	2.02
Prepaid Expenses	2.95	25.74
Other current assets	0.30	1.44
Total	15.98	45.24



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024**Note 19****Revenue from Operations**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
(a) Sale of Products	9,972.46	9,693.77
(b) Sale of Services	6.29	0.25
(c) Other operating revenues	31.98	37.88
Other Operating Revenue Export Incentives (Current Year : Rs. 31.98 & Previous Year: Rs. 37.88)		
Total	10,010.73	9,731.90

Note 20**Other Income**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Interest Income	15.61	4.20
Dividend Income	0.12	0.12
Deposit written off	47.25	-
Rent Income	0.18	-
Net gain on sale of fixed assets	0.39	-
Foreign Exchange Fluctuation Gain	20.12	60.73
Miscellaneous income	4.85	-
Insurance Claim	-	6.52
Total	88.52	71.57

Note 21**Cost of materials consumed**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Raw materials consumed		
Opening stock	210.96	466.60
Add: Purchase during the year	6,890.34	6,212.51
	7,101.30	6,679.11
Less: Closing stock	717.62	210.96
	6,383.68	6,468.15
Total	6,383.68	6,468.15



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024**Note 22****Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Opening stock		
Work-in-progress	10.55	46.66
Finished goods	385.18	570.66
Closing stock		
Work-in-progress	34.11	10.55
Finished goods	152.49	385.18
Total	209.13	221.59

Note 23**Employee Benefit Expense**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Salaries and wages	720.13	643.34
Contribution to provident and other funds	14.40	10.91
Gratuity	21.02	1.48
Leave Encashment	1.49	0.96
Staff welfare expenses	16.53	17.03
Total	773.57	673.72

Note 24**Finance Cost**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Interest expense		
- On bank loan	2.64	51.66
- Other interest	2.37	1.07
Bank Charges	4.88	8.11
Total	9.89	60.84

Note 25**Depreciation and Amortization Expense**

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Depreciation	180.17	184.66
Amortisation	0.68	0.55
Total	180.85	185.21



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024**Note 26****Other Expenses****(Rs. in '00000)**

Particulars	31 March 2024	31 March 2023
Clearing & Forwarding Charges	39.82	22.49
Electricity Expenses - Factory	181.04	169.88
Labour Charges	7.75	3.93
Spares, Tools & Consumables	52.07	53.64
Power and Fuel	5.26	9.01
Packing and Forwarding	2.26	6.55
Transport Charges	152.40	203.34
Audit Fees	6.75	6.25
Bad debts	18.74	-
Commission Expense	34.65	63.52
Electricity Expenses-Office	1.92	1.63
Rent Expenses		
- Machinery	1.26	1.37
- Others	15.58	14.25
Repairs		
- Others	44.19	41.60
Insurance	9.24	7.53
Telephone & Internet Expenses	2.41	1.69
Tours and Travelling Expenses	41.54	26.01
Conveyance and Petrol Expenses	9.39	8.32
Loading-Unloading Charges	10.35	11.39
Rates and taxes	4.80	8.03
Provision for doubtful debts	8.73	-
Printing & Stationery Expenses	2.37	0.80
Refreshment Expenses	0.46	0.42
Postage & Courier Expenses	3.35	2.77
Software Expenses	0.33	0.30
Legal and Professional Expenses	93.11	60.33
Vehicle Expenses	0.86	1.09
Advertisement & Marketing Expenses	9.02	16.23
Testing & Inspection Charges	25.21	20.48
Loss on sale of fixed assets	-	25.56
Loss on Sale of MEIS Licenses / Written off	-	0.23
Registration & Renewal charges	0.50	5.45
Late Delivery Charges	0.66	3.68
Donation Expenses	0.37	1.37
Membership & Subscription Charges	1.58	1.18
Security Expenses	11.33	9.02
Business Promotion Expenses	11.77	14.61
Sundry Office and Factory Expenses	20.22	20.70
CSR Expenditure	21.84	12.26
Placement & Recruitment Charges	0.63	1.17
Provision for doubtful deposits	1.75	-
Miscellaneous Expenses	13.69	8.96
Exhibition Expenses	41.84	4.57
Total	911.04	871.61



Notes to the financial statements for the year ended 31 March 2024

Note 27
Earnings per share

(Rs. in '00000)

Particular	31 March 2024	31 March 2023
Basic Earning per share		
(a) Profit/(Loss) after tax attributable to equity share holders	1,212.85	969.58
Number of shares		
Number of shares at the beginning of the year	18,20,000	18,20,000
Number of shares at the end of the year	93,00,200	18,20,000
(b) Weighted average number of shares	93,00,200	93,00,200
Basic Earnings/(Loss) per share (a/b)	13.04	10.43
Diluted Earning per share		
(a) Profit/(Loss) after tax attributable to equity share holders	1,212.85	969.58
Add: Loss/expense on potential equity share	-	-
Less: Profit/income on potential equity share	-	-
Adjusted Profit/(Loss) (a)	1,212.85	969.58
Number of shares		
Number of shares at the beginning of the year	18,20,000	18,20,000
Number of shares at the end of the year	93,00,200	18,20,000
(b) Weighted average number of shares	93,00,200	93,00,200
Effect of dilutive equity shares	-	-
Adjusted number of shares (b)	93,00,200	93,00,200
Diluted Earnings/(Loss) per share (a/b)	13.04	10.43

Note 28
Related Party Disclosure

(i) List of Related Parties

Name	Relationship
Bipin Sanghvi	Director
Tarulata B Sanghvi	Relative of Directors
Hardik Sanghvi	Director
Ami H. Sanghvi	Relative of Directors
Swagat Sanghvi	Director
Pooja S. Sanghvi	Relative of Directors
Star Impex	Associate Concern
Royal Arc Infrastructure Pvt Ltd	Associate Entity

(ii) Transactions with related parties

(Rs. in '00000)

Particulars	Relationship	31 March 2024	31 March 2023
Salary / Remuneration (incl. Bonus)	Directors and Relative of Directors	377.31	326.55
Loan given during the year	Director	-	727.62
Loan received back during the year	Director	-	727.62
Loan taken during the year	Director	43.99	236.02
Loan repaid during the year	Director	39.09	245.49
Rent Expense	Director	11.40	6.80
Investment in Property	Associate Concern	12.17	127.88
Purchase of Goods	Associate Concern	793.86	360.76
Sale of Goods	Associate Concern	36.34	139.98
Star Impex	Associate Concern	36.34	139.98

(iii) Outstanding Balances arising from transactions with related parties

(Rs. in '00000)

Particulars	Relationship	31 March 2024	31 March 2023
Loans Outstanding	Director	13.04	14.14
Salary Outstanding	Directors and Relative of Directors	11.04	10.31
Rent Outstanding	Director	0.86	0.81
Due from Supplier	Associate Concern	4.59	-



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024

Note 29

Employee Benefit Plans

(Rs. in '00000)

(i) Defined Contribution Plan

Particulars	31 March 2024	31 March 2023
Employers Contribution to Provident Fund	10.28	9.92
Employers Contribution to Employee State Insurance	3.24	0.12

Note 30

Contingent liabilities and commitments

(Rs. in '00000)

Contingent liabilities

Particulars	31 March 2024	31 March 2023
Contingent liabilities on account of pending litigations	130.25	130.25

*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 an another intimation under Section 73(5) of the Central Goods and Services Tax Act, 2017 for FY 2020-21 involving Rs. 17.96 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.

*The Company received notice dated June 11, 2024 under section 201 of Income Tax Act, 1961 for non-payment of TDS on certain expenses amounting to Rs.5.86 lakhs for AY 2022-23. Since the matter is sub-judice, it is not possible to ascertain liability that may arise upon the company in this matter.

Note 31

Auditor's Remuneration

(Rs. in '00000)

Particulars	31 March 2024	31 March 2023
Audit matters	5.50	5.00
Taxation matters	1.25	1.25
	6.75	6.25

Note 32

Foreign Exchange Disclosures

(Rs. in '00000)

Earnings in Foreign Currency

Particulars	31 March 2024	31 March 2023
Export of Goods	1,436.01	1,712.11
Export of Services	5.29	0.25

Expenditure in Foreign Currency

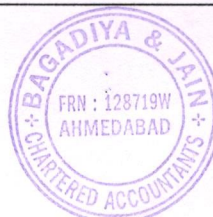
Particulars	31 March 2024	31 March 2023
Exhibition Expenses	5.79	21.10
Bank Charges	2.07	2.76
Registration Fees	0.07	3.36
Miscellaneous Expenses	-	0.10
Repairs & Maintenance	-	1.21
Commission Expenses	2.19	-
Travelling Expenses	6.04	3.26

Value of Imports calculated on C.I.F. basis

Particulars	31 March 2024	31 March 2023
Raw Material	46.70	129.12
Capital Goods	213.23	158.39

Foreign currency exposures that are not hedged by derivative instruments or otherwise is as follows:

Particulars	Currency	Amount in foreign currency	31 March 2024
			Equivalent Indian rupees
Payables (net off advance to suppliers)	USD	0.60	49.88
	YEN	(20.26)	(11.16)
Receivables (net off advance from customers)	USD	3.33	277.33



Notes to the financial statements for the year ended 31 March 2024

Foreign currency exposures that are not hedged by derivative instruments or otherwise is as follows:

Particulars	Currency	Amount in foreign currency	31 March 2023	
			Equivalent Indian rupees	
Payables (net off advance to suppliers)	USD	0.43		35.05
Receivables (net off advance from customers)	USD	3.03		257.64

Note 33

Quantitative details

Particulars	Units	31 March 2024				
		Opening Stock	Purchase	Production	Sales	Closing Stock
		Qty.	Qty.	Qty.	Qty.	Qty.
Cutting Wheels	Boxes	733	1	-	478	256
Electrodes	Num	1,765,446	-	16,222,741	17,917,361	70,826
Electrodes	Kgs	232,848	-	2,762,307	2,801,632	193,523
Electrodes Slag Welding	Kgs	-	3,399	-	1,072	2,327
Flux Cored Wire	Kgs	45,890	-	2,887,079	2,905,858	27,110
Tig Mig Wire	Kgs	9,432	911,118	-	899,204	21,346
Saw Flux	Kgs	-	20,000	-	19,925	75
Saw Wire	Kgs	-	16,762	-	16,737	25

Note 34

Capital-Work-in Progress (CWIP)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	(Rs. in '00000)				
Building	95.91	2.65	-	-	98.56

Note 35

Security of current assets against borrowings

Name of bank	Quarter	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
HSBC Bank	Jun-23	1,740.98	1,744.91	(3.93)	Adjustments in Trade Receivables
	Sep-23	1,849.42	1,842.49	6.93	
	Dec-23	2,051.76	2,056.85	(5.09)	
	Mar-24	2,068.91	2,087.46	(18.55)	
1. Trade Receivables	Jun-23	310.97	297.36	13.61	Adjustments in Trade Payables
	Sep-23	409.87	335.93	73.94	
	Dec-23	410.27	406.42	3.85	
	Mar-24	387.70	434.73	(47.03)	
2. Trade Payables	Jun-23	555.23	555.23	-	Stock in transit
	Sep-23	729.65	729.65	-	
	Dec-23	829.28	829.28	-	
	Mar-24	904.22	868.73	35.48	
3. Inventory	Jun-23	555.23	555.23	-	Stock in transit
	Sep-23	729.65	729.65	-	
	Dec-23	829.28	829.28	-	
	Mar-24	904.22	868.73	35.48	



Royal Arc Electrodes Limited

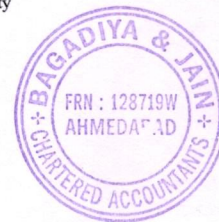
CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024**Note 36****Ratio Analysis**

Particulars	Numerator/Denominator	31 March 2024	31 March 2023	Change in %
(a) Current Ratio	Current Asset / Current Liabilities	3.78	2.57	47.20%
(b) Debt-Equity Ratio	Total Debts / Equity	0.00	0.05	-89.92%
(c) Debt-Service Coverage Ratio	Earning available for Debt Service / Equity	219.27	15.42	1321.75%
(d) Return on Equity Ratio	Profit after Tax / Average Shareholder's Equity	33.00%	37.53%	-12.05%
(e) Inventory Turnover Ratio	COGS / Average Inventory	8.73	7.91	10.27%
(f) Trade Receivable Turnover Ratio	Net Credit Sales / Average Account Receivable	5.39	6.59	-18.17%
(g) Trade Payable Turnover Ratio	Net Credit Purchases / Average Trade Payable	10.46	6.90	51.68%
(h) Net Capital Turnover Ratio	Total Turnover / Average Working Capital	4.92	7.39	-33.40%
(i) Net Profit Ratio	Net Profit / Total Turnover	12.12%	9.96%	21.61%
(j) Return on Capital Employed	Net Profit / Capital Employed	37.83%	41.73%	-9.33%
(k) Return on Investment	Return on Investment / Total Investment	0.13%	0.09%	52.22%

Reasons for variance:

- a) Current Ratio has increased during the year due to increase in the trade receivables and inventories. Further, the ratio has increased due to a decrease in the trade payables and short-term borrowings
- b) Debt-Equity Ratio has decreased due to repayment of borrowings during the year. Further, the company has not availed any new loans during the year
- c) Debt-Service Coverage Ratio has increased due to increase in net profits and decrease in interest obligations on account of repayment of borrowings during the year
- d) Trade Payable Turnover Ratio has increased due to increase in purchases and decrease in trade payables during the year
- e) Net Capital Turnover Ratio has reduced due to increase in average working capital during the year
- f) Return on investment has increased during the year on account of Rental income earned on the investment in property



Royal Arc Electrodes Limited

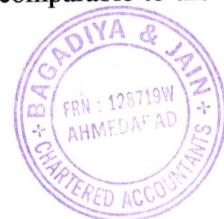
CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024

Note 37

Other Notes

1. Balance of Debtors, Creditors, and Loans & Advances are subject to Confirmation and hence subject to adjustments, if any, arising out of reconciliation.
2. Where external evidence in the form of cash memos, bills, stamped receipts, etc. was not available the internal vouchers were prepared by the company and authorized by an authorized signatory.
3. Closing Stock has been taken, valued, and certified by the Directors.
4. 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 the 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 the amount unpaid as at the end of the year together with interest payable as required under the said act has not been furnished and provision for interest, if any, on delayed payment is not ascertainable at this stage. However, in the opinion of the management, it would not be material.
5. In the opinion of the Board of Directors, Current Assets 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.
6. 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.
7. The company has provided Rs.425 lakhs as Provision for Current taxation.
8. Net Profit of the company is over the threshold limit set out in section 135 of the Companies Act 2013. Hence the provision of section 135 of Companies Act is applicable in FY 2023-24. Accordingly, the company has made a provision of Rs.21.84 lakhs towards CSR Expenditure which is two percent of the average net profit of the immediate three preceding financial years.
9. The previous year figures have been accordingly regrouped / re-classified to comparable to the current year's classification.



Royal Arc Electrodes Limited

CIN: U31100MH1996PLC096296

Notes to the financial statements for the year ended 31 March 2024

10. 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 in the books of accounts. The net written-off amounts are disclosed as "Other Income" in the Financial Statements.
11. 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 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".

As per our report of even date attached

For, **Bagadiya & Jain**
CHARTERED ACCOUNTANTS
FRN: 128719W

R. M. Bagadiya
Rishit M. Bagadiya
Partner
M. No.: 123327
UDIN: 24123327BKESQF3188

Place: Ahmedabad
Date: 03/07/2024

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

Bipin Sanghvi
Bipin Sanghvi
Managing Director
DIN No.: 00462839

H. B. Sanghvi
Hardik Sanghvi
Chief Financial Officer

Place: Mumbai
Date: 03/07/2024

Swagat Sanghvi
Swagat Sanghvi
Whole-time director
DIN No.: 01695341

Mansi Bagadiya
Mansi Bagadiya
Company Secretary
M. No.: A56143