



ROYAL ARC ELECTRODES LIMITED

Advanced welding solutions

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE AUDIT COMMITTEE OF THE COMPANY AT THEIR MEETING HELD ON TUESDAY, THE 14TH DAY OF JANUARY, 2025, AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 72 B, BOMBAY TALKIES COMPOUND, S.V. ROAD, MALAD (WEST), MUMBAI, - 400 064.

Approval of Key Performance Indicators:

“RESOLVED THAT, the following Key Performance Indicators (KPIs) disclosed below have been used historically by our Company to understand and analyses the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers.”

“RESOLVED FURTHER THAT, it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Our Company has not undertaken any material acquisition or disposition of assets / business for the six months period ended September 30, 2024, Financial Year ended March 31, 2024, for the Financial Year ended March 31, 2023 and for the ended Financial Year ended March 31, 2022.”

Key Performance Indicators of our Company

(₹ in Lakhs unless otherwise specified)

Particulars	For six months period ended September 30, 2024	Fiscal 2024	Fiscal 2022	Fiscal 2023
Revenue from operations ⁽¹⁾	4,560.47	9,978.75	9,694.02	6,290.97
Growth in revenue from operations (%) ⁽²⁾	NA	2.94%	54.09%	-
Gross Profit ⁽³⁾	1,242.64	3,385.93	3,004.28	1,593.74
Gross Profit Margin(%) ⁽⁴⁾	27.25%	33.93%	30.99%	25.33%
EBITDA ⁽⁵⁾	565.48	1,811.72	1,542.35	550.51
EBITDA Margin(%) ⁽⁶⁾	12.40%	18.16%	15.91%	8.75%
Restated Profit after tax (PAT) ⁽⁷⁾	317.50	1,192.63	956.82	212.13
PAT Margin ⁽⁸⁾	6.96%	11.95%	9.87%	3.37%

Plant Address

Plot No. 6, Survey No. 408, Village Zaroli,
Tal. Umargaon, Gujarat 396105, INDIA.

Corporate Office

72 B, Bombay Talkies Compound, Malad
West, Mumbai 400064, Maharashtra, INDIA.

www.royalarc.in

info@royalarc.in

CIN: U3110MH1996PLC096296



ROYAL ARC ELECTRODES LIMITED

Advanced welding solutions

Particulars	For six months period ended September 30, 2024	Fiscal 2024	Fiscal 2022	Fiscal 2023
RoE(%) ⁽⁹⁾	7.24%	32.85%	37.43%	10.70%
RoCE(%) ⁽¹⁰⁾	8.92%	37.73%	41.81%	12.63%
Net Debt / EBITDA Ratio ⁽¹¹⁾	0.26	(0.04)	(0.10)	1.41
Debt Equity ratio ⁽¹²⁾	0.04	0.00	0.05	0.38
Domestic Revenue	3,894.65	8,537.45	7,981.66	4,606.27
Domestic Revenue as a percentage to revenue from operations	85.40%	85.56%	82.34%	73.21%
Export Revenue	665.83	1,441.30	1,712.36	1,684.70
Export Revenue as a percentage to revenue from operations	14.60%	14.44%	17.66%	26.78%
Working Capital Days ⁽¹³⁾	97	74	48	50
Inventory Days	53	42	46	76
Trade Receivable Days	83	68	56	69
Trade Payable Days	27	36	49	71

*As Certified by our Statutory Auditor, J. H. Gandhi & Co Chartered Accountants vide their certificate dated January 14, 2025. This certificate has been designated a material document for inspection in connection with the Offer.

Notes:

1. Revenue from Operations means the revenue from operations as appearing in the Restated Financial Statement.
2. Growth in revenue from operations (%) is calculated as a percentage of revenue from operations of the relevant period/year minus revenue from operations of the preceding period/year, divided by revenue from operations of the preceding period/year.
3. Gross Profit is calculated as the difference between revenue from operations less cost of raw material consumed less change in Inventories of work in progress, finished goods and Stock in Trade.
4. Calculated as Gross Profit divided by revenue from operations
5. EBITDA is calculated as restated profit / (loss) for the period / year, plus interest expense, total taxes, and depreciation and amortisation expense.
6. EBITDA Margin (%) is calculated as EBITDA divided by revenue from operations.
7. Profit after Tax means restated profit / (loss) for the period/year as appearing in the Restated Financial Statement.
8. Profit after Tax Margin refers to the percentage margin derived by dividing Profit after Tax by revenue from operations.
9. Return on Equity (%) is calculated as restated profit after tax for the period/year divided by average shareholder's equity.
10. Return on Capital Employed is calculated as EBITDA less depreciation and amortization less bank charges divided by Capital Employed.
11. Net Debt to EBITDA Ratio is a measurement of leverage, calculated as Net Debt divided by EBITDA.
12. Debt Equity ratio is calculated as Debt divided by shareholder's equity. Shareholder's equity is calculated as sum of share capital and reserves and surplus.
13. Working Capital Days refers to total current assets days minus total current liabilities days.



Plant Address

Plot No. 6, Survey No. 408, Village Zaroli,
Tal. Umargaon, Gujarat 396105, INDIA.

Corporate Office

72 B, Bombay Talkies Compound, Malad
West, Mumbai 400064, Maharashtra, INDIA.



www.royalarc.in



info@royalarc.in

CIN: U3110MH1996PLC096296



ROYAL ARC ELECTRODES LIMITED

Advanced welding solutions

“RESOLVED FURTHER THAT, details for all the KPIs pertaining to the Company that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing of the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus are disclosed under ‘Basis for Issue Price’ section of the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus.”

“RESOLVED FURTHER THAT, any of the directors of the Company is authorised to disclose all the KPIs included in this section on a periodic basis.”

**CERTIFIED TO BE TRUE
FOR ROYAL ARC ELECTRODES LIMITED**

**BIPIN SANGHVI
CHAIRMAN AND MANAGING DIRECTOR
(DIN: 00462839)**




 **Plant Address**

Plot No. 6, Survey No. 408, Village Zaroli,
Tal. Umargaon, Gujarat 396105, INDIA.

 **Corporate Office**

72 B, Bombay Talkies Compound, Malad
West, Mumbai 400064, Maharashtra, INDIA.

 www.royalarc.in

 info@royalarc.in

CIN: U3110MH1996PLC096296