August 4, 2026

To,
The Manager – Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
Code: ROYALARC

Subject: **Submission of Revised Annual Report in Continuation of Letter dated 04 August 2026**

Dear Sir/Madam,

This is in continuation of our letter dated August 4, 2026 regarding the submission of the Annual Report of Royal Arc Electrodes Limited for the financial year 2025–26.

We wish to inform you that, due to an inadvertent omission/error, an updation on Page No. 85 of the Annual Report was not reflected in the version of the Annual Report previously submitted to the Exchange. Accordingly, the Company is submitting the Revised Annual Report after incorporating the necessary updation on the said page. The revision is limited solely to Page No. 85, and there are no other changes in the Annual Report previously submitted.

The Revised Annual Report is enclosed herewith for your records. We request you to kindly take the same on record and treat the enclosed Revised Annual Report as the final version of the Company's Annual Report for the financial year 2025–26.

Thanking You,

Yours faithfully,
For **Royal Arc Electrodes Limited**

Bipin Shantilal Sanghvi
Digitally signed by Bipin Shantilal Sanghvi
Date: 2026.08.04 15:07:04 +05'30'

Bipin Sanghvi
Managing Director
DIN: 00462839

Encl: a/a

ROYAL ARC®
Advanced Welding Solutions

Annual REPORT 2025-26

INNOVATION GROWTH SUSTAINABILITY

Index

Corporate Information

BOARD OF DIRECTORS

Mr. Bipin Sanghvi
Chairman &
Managing Director
DIN: 00462839

Mr. Hardik Sanghvi
Whole Time Director &
Chief Financial Officer
DIN: 00617415

Mr. Swagat Sanghvi
Whole Time Director
DIN: 01695341

Mr. Kunal Turakhia
Non-Executive
Independent Director
DIN: 10455417

Mrs. Jayna Mehta
Non-Executive
Independent Director
DIN: 10455416

Mr. Rahul Vattamparambil
Non-Executive
Independent Director
DIN: 10455717

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Mansi Bagadiya (till 15.04.2026)

Mr. Krunal Shah (w.e.f. 19.05.2026)

AUDITORS

Statutory Auditor

J. H. GANDHI & Co.
309, Sai Leela Co-Op. Premises Society Ltd.,
Opp. Moksh Plaza, S V Road,
Borivali West, Mumbai - 400009
Maharashtra, India

Secretarial Auditor

CS Riddhi Shah
Practising Company Secretary
A-1, Ground Floor, Kokil Kunj CHSL, M.G. X Road No. 4,
Behind Patel Nagar, Near Vora Hospital, Kandivali (West),
Mumbai - 400067, Maharashtra, India

Internal Auditor

Ketan N Shah & Co.
503-504, Sai Leela Co-Op. Premises Society Ltd.,
Opp. Moksh Plaza S V Road, Borivali West,
Mumbai - 400092 Maharashtra, India

Cost Auditor

C. B. Modh & Co.
404, Nirman House, Nr. Usmanpura Underpass,
Usmanpura, Ahmedabad – 380013
Gujrat, India

BANKERS

HSBC Bank
State Bank of India

LISTED ON STOCK EXCHANGE

Emerge Platform of
National Stock Exchange of India Limited

REGISTRAR & SHARE TRANSFER AGENT

KFIN TECHNOLOGIES LIMITED
Selenium Tower-B, Plot 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032, Telangana, India
Email ID: einward.ris@kfintech.com
Toll Free / Phone Number: 1800 309 4001

CIN

L31100MH1996PLC096296

REGISTERED OFFICE

72 B, Bombay Talkies Compound, Malad West,
Mumbai 400064, Maharashtra, Bharat (India)

CORPORATE OFFICE

Royal Arc Electrodes Limited
K9, Sonal Heavy Industrial Estate, Link Road,
Malad West, Mumbai 400064,
Maharashtra, India

MANUFACTURING UNIT

Plot No.6, Survey No. 91/ Paiki-4,
Near Sheela Foam, village - Zaroli,
Bhilad, Taluka- Umbergaon,
Dist- Valsad, Gujarat - 396 105, India

WEBSITE

www.royalarc.in

Company Profile

Royal Arc Electrodes Limited is one of India's established manufacturers of welding consumables, delivering high-quality products that cater to the evolving requirements of diverse industrial sectors. With over three decades of manufacturing excellence, the Company has earned a reputation for quality, reliability and customer-centric innovation.

The Company manufactures a comprehensive range of welding consumables including Welding Electrodes, Flux Cored Wires, MIG Wires, TIG Wires, SAW Fluxes, SAW Wires, Strip Cladding Consumables and allied welding products. These products are extensively used across infrastructure, construction, railways, steel, cement, power, mining, shipbuilding, oil & gas, heavy engineering and general fabrication industries.

Supported by modern manufacturing facilities, robust quality systems and a skilled workforce, Royal Arc continues to focus on delivering products that meet national and international quality standards. Continuous investment in technology, manufacturing capability and research enables the Company to develop value-added welding solutions tailored to the specific needs of customers.

Following its successful listing on the NSE EMERGE platform, the Company has further strengthened its governance framework, financial discipline and strategic focus. During FY 2025-26, Royal Arc recorded Revenue from Operations of ₹11,605.99 lakhs and Profit After Tax of ₹1,004.54 lakhs, reflecting the Company's ability to deliver sustainable growth while maintaining operational efficiency and financial strength.

Driven by a commitment to quality, innovation and customer satisfaction, Royal Arc Electrodes Limited continues to strengthen its position as a trusted partner for welding solutions in both domestic and international markets.


Manufacturing facility based in Gujarat

Our Strategy

Royal Arc's long-term strategy is centred on sustainable and profitable growth by strengthening its manufacturing capabilities, expanding market presence and continuously enhancing customer value.

Manufacturing Excellence

The Company continues to invest in advanced manufacturing technologies, automation and process improvements to enhance production efficiency, product consistency and operational reliability.

Product Innovation

Continuous product development remains a key strategic priority. The Company focuses on developing specialised welding consumables that meet the evolving requirements of various industrial applications while maintaining the highest quality standards.

Customer-Centric Approach

Building long-term relationships with customers remains fundamental to the Company's success. Technical support, customised welding solutions and responsive service enable Royal Arc to deliver superior value across diverse industries.

Market Expansion

The Company continues to strengthen its domestic distribution network while expanding its presence in international markets. Strategic initiatives are focused on increasing market penetration, broadening the customer base and developing new business opportunities.

Operational Efficiency

Efficient inventory management, disciplined cost control and continuous process optimisation contribute to improved productivity and sustainable profitability while maintaining strong financial performance.

Sustainable Growth

Royal Arc remains committed to responsible business practices by promoting environmental stewardship, employee safety, ethical governance and long-term stakeholder value creation.

Industry Overview

WELDING INDUSTRY

The welding industry is a vital enabler of industrial and economic development, serving as the backbone of manufacturing, infrastructure creation and engineering activities.

Welding consumables are essential across a wide range of sectors including infrastructure, construction, railways, power generation, shipbuilding, oil & gas, mining, defence, heavy engineering, automotive, renewable energy and fabrication industries.

During FY 2025-26, the Indian manufacturing sector continued to benefit from sustained public and private investments in infrastructure and industrial development. Government initiatives such as Make in India, the National Infrastructure Pipeline (NIP), PM Gati Shakti, railway modernization, expansion of renewable energy capacity and increased capital expenditure on infrastructure have continued to create favourable demand for fabricated steel structures and engineering products, thereby supporting the growth of the welding consumables industry.

India has emerged as one of the world's fastest-growing manufacturing economies, with increasing emphasis on domestic production, import substitution and export competitiveness. As industries continue to modernize their manufacturing facilities, there is a growing preference for technologically advanced welding consumables that offer higher productivity, superior weld quality, improved efficiency and lower lifecycle costs. Demand for specialised electrodes, flux-cored wires and customised welding solutions is also increasing across critical industrial applications.

The global welding industry is witnessing continuous technological advancements driven by automation, robotics, digital manufacturing and Industry 4.0 practices. Increasing adoption of automated welding systems is

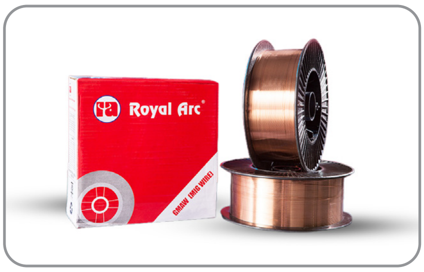
creating demand for high-performance consumables capable of delivering consistent quality and reliability. At the same time, customers are placing greater emphasis on product quality, process efficiency, environmental sustainability and compliance with international quality standards, encouraging manufacturers to continuously innovate and enhance their product offerings.

The export market continues to offer significant opportunities for Indian welding consumable manufacturers. India's cost-competitive manufacturing ecosystem, improving quality standards and expanding global acceptance of Indian engineering products have strengthened the country's position in international markets. As global supply chains diversify, Indian manufacturers are increasingly well-positioned to cater to overseas demand through quality-focused manufacturing and reliable customer service.

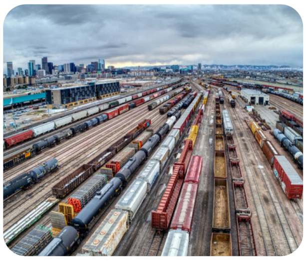
Despite the favourable long-term outlook, the industry continues to face challenges arising from fluctuations in raw material prices, intense market competition, evolving customer requirements and increasing compliance expectations. Manufacturers are therefore focusing on operational efficiencies, product innovation, quality assurance and customer-centric solutions to maintain sustainable growth and competitiveness.

Against this industry backdrop, Royal Arc Electrodes Limited continues to strengthen its position by leveraging its diversified product portfolio, established manufacturing capabilities, technical expertise and long-standing customer relationships. The Company remains focused on delivering high-quality welding consumables, expanding its market presence, enhancing operational efficiencies and developing value-added products to meet evolving customer requirements. Supported by continued investments in quality, process improvement and customer service, the Company is well-positioned to capitalize on the long-term growth opportunities presented by India's expanding manufacturing and infrastructure sectors while pursuing sustainable and profitable growth.

Our Products



Industry








Worldwide Presence

Royal Arc exports to over 20+ countries worldwide, strategically navigating the dynamic landscape of the global welding industry. As the industry evolves with challenges and opportunities, Royal Arc remains committed to enhancing its competitive advantages. This dedication propels us towards becoming a global player in welding electrodes.

The Company caters to a wide range of end-user industries, delivering reliable welding solutions for infrastructure, construction, power generation, railways, oil & gas, shipbuilding, mining, automotive and industrial fabrication.

Sustainability

SUSTAINABILITY AT OUR CORE

Sustainability remains an integral part of our business philosophy. The Company is committed to responsible manufacturing through the efficient utilization of energy and raw materials, continuous process improvements, regulatory compliance and maintaining high standards of occupational health and safety.

As part of its commitment to clean energy and environmental responsibility, the Company has progressively expanded its captive solar power capacity from 150 kW in 2017 to 950 kW in 2026. This investment reflects the Company's continued focus on increasing the use of renewable energy, improving energy efficiency and reducing its environmental footprint.

The Company will continue to strengthen its sustainability initiatives through responsible business practices, operational excellence and prudent resource management, creating long-term value for all its stakeholders.

CAPTIVE SOLAR POWER CAPACITY

2017 — TO — 2026

150 kW → 950 kW

OUR SUSTAINABILITY PRINCIPLES

- RENEWABLE ENERGY
- ENERGY EFFICIENCY
- RESPONSIBLE RESOURCE USE
- REGULATORY COMPLIANCE
- OCCUPATIONAL HEALTH & SAFETY

Performance Highlights

Financial Year 2025-26

Revenue from Operations	₹11,606.00 Lakhs
Total Income	₹11,800.35 Lakhs
Profit Before Tax	₹1,361.80 Lakhs
Profit After Tax	₹1,004.54 Lakhs
Net Worth	₹8,126.60 Lakhs

- Virtually Debt-free Company
- Continuous investment in Manufacturing Capacity
- Strategic working capital position

Chairman's Message

Mr. Bipin Sanghvi
Chairman & Managing Director

FY 2025-26 has been a year of steady growth, operational excellence, and strategic investments. With a strong financial foundation, continued focus on innovation, and an unwavering commitment to sustainability, Royal Arc Electrodes Limited remains well-positioned to create enduring value for all our stakeholders.

Dear Shareholders,

It gives me immense pleasure to present the Annual Report of Royal Arc Electrodes Limited for the financial year ended March 31, 2026.

The year under review has been one of steady progress and meaningful achievements.

Building upon the strong foundation established, following our successful listing, we continued to strengthen our operational capabilities, expand our market presence, and create sustainable value for all our stakeholders.

During the year, the Company recorded Revenue from Operations of ₹11,605.99 lakhs as against ₹10,176.79 lakhs in the previous year, registering a healthy growth of over 14%. Profit Before Tax increased to ₹1,361.80 lakhs, while Profit After Tax reached ₹1,004.54 lakhs, reflecting the resilience of our business model, disciplined cost management and continued customer confidence in our products.

Our manufacturing operations continued to focus on quality, productivity and operational efficiency. We made significant investments in Property, Plant & Equipment and ongoing capital projects to strengthen our manufacturing capabilities and support future growth. These investments reinforce our commitment to delivering technologically advanced welding consumables while maintaining the highest standards of quality.

Operational excellence remained one of our core priorities throughout the year. Our continued focus on process improvement, quality assurance, efficient inventory management and customer-centric solutions enabled us to improve performance while maintaining financial discipline. The Company continues to operate with a strong balance sheet, healthy cash position and no long-term borrowings, providing financial flexibility for future expansion.

Innovation remains at the heart of our growth strategy. We continue to strengthen our product portfolio by developing high-performance welding consumables that meet the evolving requirements of various industrial sectors. Our technical team remains committed to providing customised welding solutions that enhance productivity and reliability for our customers.

Sustainability continues to guide our long-term vision. We remain committed to responsible manufacturing practices through energy conservation, efficient resource utilisation, environmental protection and workplace safety. These initiatives are integral to our objective of building a resilient and future-ready organisation. The company has expanded its solar power plant to a capacity of 950 KWh, reflecting our commitment to greener and sustainable future.

Our achievements reflect the continued support of our customers, business partners, suppliers, bankers, shareholders, and employees, whose dedication and commitment remain central to the Company's success.

Looking ahead, we remain optimistic about the opportunities before us. We will continue to invest in technology, manufacturing excellence, innovation, market expansion, and sustainable practices while maintaining our focus on quality and customer satisfaction. Backed by a strong financial foundation, an experienced management team, and a dedicated workforce, we are confident of creating long-term value for all stakeholders.

On behalf of the Board of Directors, I thank all our stakeholders for their continued trust and support. Together, we remain committed to building a stronger, more sustainable future and creating enduring value for generations to come.

Notice

NOTICE is hereby given that the **30th ANNUAL GENERAL MEETING** of the Members of **ROYAL ARC ELECTRODES LIMITED** will be held on **Friday, 28th August, 2026** at **10:00 A.M.** at the K9, Sonal Heavy Industrial Estate, Link Road, Malad West, Mumbai 400064 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the Financial Year ended 31st March, 2026 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint director in place of Mr. Swagat Bipin Sanghvi (DIN: 01695341), who retires by rotation and being eligible offer himself for re-appointment.

3. To declare final dividend on equity shares of the Company for the financial year ended 31st March, 2026.

SPECIAL BUSINESS:

4. To re-appoint Mr. Bipin Shantilal Sanghvi (DIN: 00462839) as Chairman & Managing Director:

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Bipin Shantilal Sanghvi (DIN: 00462839) as Chairman & Managing Director and Key Managerial Personnel of the Company for a period of 5 (Five) years with effect from 1st April, 2027 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment including remuneration in such manner as may be agreed between the Board of Directors and Mr. Bipin Shantilal Sanghvi.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To re-appoint Mr. Hardik Bipin Sanghvi (DIN: 00617415) as a Whole Time Director:

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended and rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Hardik Bipin Sanghvi (DIN: 00617415) as Whole Time Director of the Company for a period of 5 (Five) years with effect from 1st April, 2027 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment including remuneration in such manner as may be agreed between the Board of Directors and Mr. Hardik Bipin Sanghvi.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To re-appoint Mr. Swagat Bipin Sanghvi (DIN: 01695341) as a Whole Time Director:

To consider and if thought fit, to pass the following resolution as **a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended and rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Swagat Bipin Sanghvi (DIN: 01695341) as Whole Time Director of the Company for a period of 5 (Five) years with effect from 1st April, 2027 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment including remuneration in such manner as may be agreed between the Board of Directors and Mr. Swagat Bipin Sanghvi.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

7. **Appointment of Secretarial Auditor:**

To consider and if thought fit, pass, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on the recommendation of Audit Committee & subject to members approval CS Dipti Gohil, (Membership No. ACS 14736 & COP No. 11029), be and hereby appointed as Secretarial Auditors of the Company for conducting Secretarial Audit for a period of five consecutive years i.e. from FY 2026-27 till FY 2030-31 at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors."

8. **Ratification of remuneration to the Cost Auditors for the FY 2026-2027:**

To consider and if thought fit, pass, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. C. B. Modh & Co., (M - 30056), Cost Accountant, Ahmedabad, appointed by the Board of Directors of the Company on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, for the Financial Year ending March 31, 2027 be paid remuneration of Rs. 68,500/- (Rupees Sixty-Eight Thousand Five Hundred only) plus reimbursement of out of pocket expenses and applicable taxes and to seek certification services as and when required (along with necessary fees).

RESOLVED FURTHER THAT approval of the Company be and is hereby accorded to the Board of Directors of the Company (including its Committee thereof) to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board
For Royal Arc Electrodes Limited

Mr. Bipin Sanghvi
Managing Director
DIN: 00462839

Registered Office:
72 B, Bombay Talkies Compound, Malad West,
Mumbai 400064, Maharashtra, India.
Tel: +91 7888000553
Email: cs@royalarc.in
Website: www.royalarc.in
CIN: L31100MH1996PLC096296

Place: Mumbai
Date: 10/06/2026

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY(S) TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY(S) NEED NOT BE A MEMBER OF THE COMPANY.**

2. Pursuant to the provisions of section 105 of the Companies, a person can act as proxy on behalf of not more then 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.

3. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

5. **The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("the Act"), in respect of the special businesses mentioned in the Notice of this Annual General Meeting ("AGM"/ "Notice") is annexed hereto.**

6. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 i.e. Secretarial Standards on General Meetings in respect of the Director seeking appointment/reappointment at the Meeting is annexed to the Explanatory Statement hereto.

7. In conformity with the applicable regulatory requirements, the Notice of the Annual General Meeting is being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories (NSDL/CDSL). Further In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 the Notice calling the AGM has been uploaded on the website of the Company at www.royalarc.in . The Notice can also be accessed from the website of the Stock Exchange i.e. National Stock Exchange of India Ltd (NSE) at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com. Members may also note that the Notice of the Meeting will also be available on the Company's website www.royalarc.in for download.

8. Members who have still not registered their email IDs are requested to do so at the earliest. Members holding shares in electronic mode can get their email IDs registered by contacting their respective Depository Participant. Members holding shares in physical mode are requested to register their email IDs with the Company or the RTA (KFin Technologies Limited), for receiving the Notice. Requests can be emailed to cs@royalarc.in or einward.ris@kfintech.com. We urge members to support this Green Initiative effort of the Company and get their email IDs registered.

9. Relevant Documents referred to in the accompanying Notice and all other statutory documents will be made available for inspection in the electronic mode. Members can inspect the same by sending a request to the Company's investor email ID i.e. cs@royalarc.in.

10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, 2/2022 dated May 05, 2022 and 10/2022 dated December 28, 2022, the Company is providing facility of remote e-voting (facility to cast vote prior to the AGM) and also e-voting during the AGM to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. The detailed instruction for remote E-Voting & E-Voting at AGM is annexed to the Notice as **Annexure I**.

11. Mrs. Dipti Gohil, Practising Company Secretary (ACS 14736 & COP No. 11029), has been appointed as the scrutinizer to scrutinize the voting during AGM and remote e-voting process in a fair and transparent manner.

12. The remote e-voting period commences on **Tuesday, 25 August, 2026 (09:00 A.M.)** and ends on **Thursday, 27 August, 2026 (05:00 P.M.)** During this period, Members holding shares either in physical form or demat form, as on **Friday, 21st August, 2026** i.e. Cut-off date, may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.

13. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall been titled to avail facility of remote e-voting. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting vote.

14. The Results of voting will be declared within 2 working days from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's website www.royalarc.in and on the website of CDSL i.e., www.evotingindia.com immediately after the result is declared. The Company shall simultaneously forward the results to NSE, where the equity shares of the Company are listed.

15. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.

16. Any persons, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Friday, 21st August, 2026** may obtain the login ID and password by sending a request at Issuer/ RTA.

17. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to attend the AGM.

18. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

19. Mr. Swagat Bipin Sanghvi (DIN: 01695341), retries by rotation and being eligible offers himself for re-appointment. The details pertaining to aforesaid directors as required under Companies Act, 2013, Secretarial Standards on General Meeting and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished in **Annexure II** to the Notice.

20. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.

21. Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 2 days in advance of the Annual General Meeting.

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar.

23. In order to strengthen the dispute resolution mechanism for all disputes between a listed company and/or registrars & transfer agents and its shareholder(s)/ investor(s), SEBI had issued a Standard Operating Procedure ('SOP') vide Circular dated May 30, 2022. As per this Circular, shareholder(s)/investor(s) can opt for Stock Exchange Arbitration Mechanism for resolution of their disputes against the Company or its RTA. Further, SEBI vide Circular dated July 31, 2023 (updated as on December 20, 2023), introduced the Online Dispute Resolution (ODR) Portal. Through this ODR portal, the aggrieved party can initiate the mechanism, after exercising the primary options to resolve its issue, directly with the Company and through the SEBI Complaint Redress System (SCORES) platform. The Company has complied with the above circulars. The SMART ODR Portal can be accessed at: https://smartodr.in/login.

By Order of the Board
For Royal Arc Electrodes Limited

Mr. Bipin Sanghvi
Managing Director
DIN: 00462839

Registered Office:
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Mumbai 400064, Maharashtra, India.
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Email: cs@royalarc.in
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CIN: L31100MH1996PLC096296

Place: Mumbai
Date: 10/06/2026

Annexure I

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING

i. The voting period begins on **Tuesday, 25 August, 2026 (09:00 A.M.)** and ends on **Thursday, 27 August, 2026 (05:00 P.M.).** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **of Friday, 21st August, 2026** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders Holding securities in Demat mode with **CDSL Depository**	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders Holding securities in demat mode with **NSDL Depository**	1. If you are already registered for NSDL IDeAS facility, please visit the eServices website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 4. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote eVoting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

v. **Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e- voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

vi. After entering these details appropriately, click on "SUBMIT" tab.

vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

x. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

xvii. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz cs@royalarc.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 21 09911.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 8 of the accompanying Notice dated 10th June, 2026.

ITEM NO. 4:

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has reappointed Mr. Bipin Shantilal Sanghvi (DIN: 00462839) as the Chairman and Managing Director of the Company for a period of 5 (Five) years w.e.f. 1st April, 2027, subject to approval of the members in General Meeting upon terms and conditions set out herein.

Mr. Bipin Shantilal Sanghvi's visionary guidance has been instrumental in driving company's remarkable growth. Throughout his tenure, including the challenging times, he has exhibited exceptional leadership skills and a steadfast commitment towards Company's progress. Under his astute leadership, the Company has achieved steady growth, marked by consistent expansion, strategic initiatives, and a relentless pursuit of excellence. His ability to navigate through uncertainties and make well-informed decisions has ensured the sustainability of Company's operations. It would be therefore in the interest of the Company to re-appoint Mr. Bipin Shantilal Sanghvi as Chairman & Managing Director of the Company.

The material terms and conditions of the said reappointment are as under:

1. **Period of Agreement:**

   1st April, 2027 to 31st March, 2032

2. **Remuneration:**

   a) **Basic Salary:**

   Maximum of Rs. 15,00,000/- per month.

   b) **Perquisites/Allowances:**

   In addition to salary, the Chairman & Managing Director shall be entitled to the following perquisites/allowances:

   House rent allowance, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board from time to time.

   c) Chairman & Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

   i. contribution to the Provident Fund, Contribution to Gratuity Fund as per the rules of the Company.

   ii. Gratuity payable at the rate not exceeding half a month's salary for every completed year of service.

   iii. Encashment of leave as per rules of the Company.

   Explanation: For the purpose of this Agreement, "Family" means the spouse and dependent children of Chairman & Managing Director.

d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during his tenure as Chairman & Managing Director, if the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/allowances as aforesaid.

4. Chairman & Managing Director shall be entitled to annual leave for a period of thirty-five days and shall be entitled to accumulate earned leave for a maximum of ninety days.

5. Chairman & Managing Director shall be entitled to:

   a) the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

   b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.

6. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.

7. The terms and conditions of the said appointment herein and/ or agreement may be altered and varied by the Board of Directors from time to time at its discretion as it may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, or any other amendments made hereafter in that regard.

8. The said re-appointment including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved.

Further Mr. Bipin Shantilal Sanghvi has attained the age of seventy (70) years. In terms of the proviso to Section 196(3)(a) of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies Act, 2013, the continuation/re-appointment of a Managing Director who has attained the age of seventy years requires the approval of the Members by way of a Special Resolution.

Your Directors recommend the resolution at Item No. 4 of the Notice for your approval.

Mr. Bipin Shantilal Sanghvi is interested in the said resolution as it pertains to his own re-appointment. Mr. Hardik Bipin Sanghvi and Mr. Swagat Bipin Sanghvi are deemed to be interested in the said resolution as they are related to Mr. Bipin Shantilal Sanghvi.

Prescribed details of Mr. Bipin Shantilal Sanghvi is provided in the notes to the Notice. The other relatives of Mr. Bipin Shantilal Sanghvi may be deemed to be interested in the said resolution at Item No. 4 of the Notice to the extent of their shareholding, if any, in the Company.

None of the other Directors, Key Managerial Personnels of the Company and their relatives are, in any way, concerned or interested, financially, or otherwise, in the said resolution.

ITEM NO. 5:

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has appointed Mr. Hardik Bipin Sanghvi (DIN: 00617415) as Whole Time Director of the Company for a period of 5 (five) years w.e.f. 1st April, 2027, subject to approval of the members in General Meeting upon terms and conditions set out herein.

Mr. Hardik Bipin Sanghvi has invaluable contributions in driving company's business and looking after entire operations. He has played a pivotal role in expanding Company's global presence, fostering international partnerships, and driving operations of the Company to its new heights. It would be therefore in the interest of the Company to appoint Mr. Hardik Bipin Sanghvi as Whole Time Director of the Company.

The material terms and conditions of the said reappointment are as under:

1. **Period of Agreement:**

   1st April, 2027 to 31st March, 2032

2. **Remuneration:**

   a) **Basic Salary:**

      Maximum of Rs. 15,00,000/- per month.

   b) **Perquisites/Allowances:**

      In addition to salary, the Whole Time Director shall be entitled to the following perquisites/allowances:

      House rent allowance, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board from time to time.

   c) Whole Time Director also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

      i. contribution to the Provident Fund, Contribution to Gratuity Fund as per the rules of the Company.

      ii. Gratuity payable at the rate not exceeding half a month's salary for every completed year of service.

      iii. Encashment of leave as per rules of the Company.

      Explanation: For the purpose of this Agreement, "Family" means the spouse and dependent children of Managing Director.

   d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during his tenure as Whole Time Director, if the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/allowances as aforesaid.

4. Whole Time Director shall be entitled to annual leave for a period of thirty-five days and shall be entitled to accumulate earned leave for a maximum of ninety days.

5. Whole Time Director shall be entitled to:

   a) the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

   b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.

6. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.

7. The terms and conditions of the said appointment herein and/ or agreement may be altered and varied by the Board of Directors from time to time at its discretion as it may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, or any other amendments made hereafter in that regard.

8. The said re-appointment including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved.

Your Directors recommend the resolution at Item No. 5 of the Notice for your approval.

Mr. Hardik Bipin Sanghvi is interested in the said resolution as it pertains to his own re-appointment. Mr. Bipin Shantilal Sanghvi and Mr. Swagat Bipin Sanghvi are deemed to be interested in the said resolution as they are related to Mr. Hardik Bipin Sanghvi.

Prescribed details of Mr. Hardik Bipin Sanghvi is provided in the notes to the Notice. The other relatives of Mr. Hardik Bipin Sanghvi may be deemed to be interested in the said resolution at Item No. 5 of the Notice to the extent of their shareholding, if any, in the Company.

None of the other Directors, Key Managerial Personnels of the Company and their relatives are, in any way, concerned or interested, financially, or otherwise, in the said resolution.

ITEM NO. 6:

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has appointed Mr. Swagat Bipin Sanghvi (DIN: 01695341) as Whole Time Director of the Company for a period of 5 (five) years w.e.f. 1st April, 2027, subject to approval of the members in General Meeting upon terms and conditions set out herein.

Mr. Swagat Bipin Sanghvi has invaluable contributions in driving company's business and looking after new products, R&D and improvisation in overall operations. He has played a pivotal role in expanding Company's overall business and driving operations of the Company to its new heights. It would be therefore in the interest of the Company to appoint Mr. Swagat Bipin Sanghvi as Whole Time Director of the Company.

The material terms and conditions of the said reappointment are as under:

1. **Period of Agreement:**

1st April, 2027 to 31st March, 2032

2. **Remuneration:**

a) **Basic Salary:**

Maximum of Rs. 15,00,000/- per month.

b) **Perquisites/Allowances:**

In addition to salary, the Whole Time Director shall be entitled to the following perquisites/allowances:

House rent allowance, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board from time to time.

c) Whole Time Director also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

i. contribution to the Provident Fund, Contribution to Gratuity Fund as per the rules of the Company.

ii. Gratuity payable at the rate not exceeding half a month's salary for every completed year of service.

iii. Encashment of leave as per rules of the Company.

Explanation: For the purpose of this Agreement, "Family" means the spouse and dependent children of Managing Director.

d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during his tenure as Whole Time Director, if the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/allowances as aforesaid.

4. Whole Time Director shall be entitled to annual leave for a period of thirty-five days and shall be entitled to accumulate earned leave for a maximum of ninety days.

5. Whole Time Director shall be entitled to:

   a) the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

   b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.

6. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.

7. The terms and conditions of the said appointment herein and/ or agreement may be altered and varied by the Board of Directors from time to time at its discretion as it may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, or any other amendments made hereafter in that regard.

8. The said re-appointment including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved.

Your Directors recommend the resolution at Item No. 6 of the Notice for your approval.

Mr. Swagat Bipin Sanghvi is interested in the said resolution as it pertains to his own re-appointment. Mr. Bipin Shantilal Sanghvi and Mr. Hardik Bipin Sanghvi are deemed to be interested in the said resolution as they are related to Mr. Swagat Bipin Sanghvi.

Prescribed details of Mr. Swagat Bipin Sanghvi is provided in the notes to the Notice. The other relatives of Mr. Swagat Bipin Sanghvi may be deemed to be interested in the said resolution at Item No. 6 of the Notice to the extent of their shareholding, if any, in the Company.

None of the other Directors, Key Managerial Personnels of the Company and their relatives are, in any way, concerned or interested, financially, or otherwise, in the said resolution.

ITEM NO. 7:

After evaluating and considering various factors such as industry experience, competence of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on May 19, 2026, proposed the appointment of CS Dipti Gohil, (Membership No. ACS 14736 & COP No. 11029), Company Secretaries, as the Secretarial Auditors of the Company, for a term of five consecutive years from Financial Year April 1, 2026 to March 31, 2031, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors.

Ms. Dipti Gohil has consented to her appointment as Secretarial Auditor and has confirmed that her appointment will be in accordance with Section 204 of Companies Act, 2015 read with SEBI (LODR) Regulations, 2015.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

ITEM NO. 8:

The Board of Directors, at its Meeting held on May 19, 2026, upon the recommendation of the Audit Committee, approved the appointment of M/s. C. B. Modh & Co., (M - 30056), Cost Accountant, Ahmedabad, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the financial year ending March 31, 2027, at a remuneration of Rs. 68,500/- (Rupees Sixty-Eight Thousand Five Hundred Only) plus reimbursement of out of pocket expenses and applicable taxes and to seek certification services as and when required (along with necessary fees).

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice.

Annexure II
to the Notice

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended and Secretarial Standards on the General Meeting.

Name	Mr. Bipin Sanghvi	Mr. Hardik Sanghvi	Mr. Swagat Sanghvi
Age	73 years	44 years	40 years
Qualification	Bachelor in Commerce	Master's Degree in Business Administration in International Business from University of East London	Bachelor in Commerce
Experience	Associated with our Company since inception and is currently responsible for handling the overall management of the Company. He has around 22+ years of experience in the field of accountancy and human resource management.	Associated with our Company since 2002, and currently responsible for handling the finance, sales & marketing strategy of the Company. He has 20+ years of experience in the field of financial planning and sales & market research.	Associated with our Company since 2010, and currently responsible for handling production and strategic planning departments of the Company. He has over 10+ years of experience in the field of production and strategic planning.
Date of First Appointment	15/01/1996	01/12/2002	16/08/2010
Executive & Non Executive Director	Chairman & Managing Director	Whole Time Director and Chief Financial Officer	Whole Time Director
Shareholding in the Company	7,21,717 shares (6.50%)	23,49,750 shares (21.17%)	23,49,750 shares (21.17%)
Remuneration last Drawn (including sitting fees, if any)	56.53 lakhs	56.53 lakhs	56.53 lakhs
Relationship with other directors and Key Managerial Personnel of the Company	Father of Mr. Hardik Sanghvi & Mr. Swagat Sanghvi	Son of Mr. Bipin Sanghvi Brother of Mr. Swagat Sanghvi	Son of Mr. Bipin Sanghvi Brother of Mr. Hardik Sanghvi
Number of Meetings of the Board attended/ held	6/6	6/6	6/6
Directorships held in other public companies (excluding foreign companies and Government Bodies)	NIL	NIL	NIL

Annexure II

to the Notice (Cont'd)

Name	Mr. Bipin Sanghvi	Mr. Hardik Sanghvi	Mr. Swagat Sanghvi
Committee positions held in Indian Public Companies as on 31.03.2026	NIL	NIL	NIL
Chairman/ member in the committees of the boards of companies in which he is Director (includes only Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee)	NIL	NIL	NIL

Directors' Report

To,
The Members,

Your directors are pleased to present the 30th Annual Report on the business and operations of Royal Arc Electrodes Limited (hereinafter referred to as the "Company") along with the audited financial statements for the financial year ended March 31, 2026.

1) FINANCIAL SUMMARY:

The Company's financial performance for the financial year ended **March 31, 2026** are summarized below:

(Amount in Lakhs)

Particulars	For the Financial year Ended	
	31-Mar-26	31-Mar-25
Revenue From Operations	11,606.00	**10,176.79**
Other income	194.35	57.69
Total Income	**11,800.35**	**10,234.48**
Operating Expenses	10,438.55	8,980.97
Profit / (Loss) Before exceptional and extraordinary items and tax	**1,361.80**	**1,253.51**
Provision for tax	**1,361.80**	**1,253.51**
Profit after tax	**1,004.54**	**900.56**
Earnings per equity share		
(1) Basic	9.05	9.49
(2) Diluted	9.05	9.49

2) RESULT HIGHLIGHTS:

In accordance with the provisions of the Act, and SEBI Listing Regulations, the financial statements of the Company have been prepared in compliance with the Indian Accounting Standards ("Ind AS") prescribed under the Act, read with Companies (Accounts) Rules, 2014, as amended.

During the financial year 2025-2026 your Company has generated revenue from operations of Rs. 11,800.35 Lakhs (including other income) as compared with the corresponding figure of previous Financial year of Rs. 10,234.48 Lakhs and earns net profit after tax Rs. 1,004.54 Lakhs as compared with the corresponding figure of previous financial year of Rs. 900.56 Lakhs. The total revenue is increased by Rs. 1,566 Lakhs as compared to last year as well as net profit after tax is also increased by Rs. 103.98 Lakhs as compared to last year.

3) DIVIDEND:

The Company paid Interim Dividend of Rs. 0.50/- per equity share of Rs. 10/- each of the Company for the F.Y. 2025-26.

The Board of Directors further in its meeting held on Tuesday, May 19, 2026 has recommended to the shareholders a final dividend of Rs. 0.50/- per equity share for the financial year 2025-26. The final dividend, if declared as above, would entail a total outflow of approx. Rs. 55,50,100/-. The dividend payment is subject to approval of members at the ensuing 30th Annual General Meeting.

4) TRANSFER TO RESERVE:

The Board of Directors proposed to transfer rest of the amount after paying dividend to the reserves.

5) BRIEF DESCRIPTION OF THE COMPANY AFFIARS:

Incorporated in 1996, our Company is engaged in the business of manufacturing of welding electrodes, flux cored wires, MIG/TIG wires. The Company is capable of manufacturing both standardized as well as customized products. Further, our Company is also engaged in the business of trading of ancillary/incidental products like abrasive wheels, welding flux, saw wire, saw flux, and special TIG /MIG. We supply our products to domestic customers and export customers.

Your Company is committed to steady and sustainable growth and maintain the growth momentum.

6) CHANGE IN NATURE OF BUSINESS:

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

7) THE REGISTERED OFFICE:

The registered office of the company is situated at 72 B, Bombay Talkies Compound, Malad West, Mumbai 400064, Maharashtra, India.

8) DEMATERIALIZATION OF SHARES:

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.

9) SHARE CAPITAL:

During the year under review, the authorized and paid-up share capital of the Company are as follows:

- **AUTHORIZED CAPITAL:**

  The Authorised Capital of the Company is Rs. 18,00,00,000/- divided into 1,80,00,000 Equity Shares of ₹ 10/- (Rupees Ten Only) each. During the Financial year, the Company has not increased the authorized Share capital of the Company.

- **ISSUED, SUBSCRIBED & PAID-UP CAPITAL:**

  As on March 31, 2026, the issued, subscribed and paid up share capital of the Company stood at Rs. 11,10,02,000 /- comprising of 1,11,00,200 Equity Shares of Rs. 10/- each.

  The Company has not issued shares with differential voting rights nor has issued any Sweat Equity. As on March 31, 2026, none of the Directors of the Company hold any convertible instruments of the Company.

10) CORPORATE GOVERNANCE:

The Company is listed on NSE Emerge SME Platform. Hence the Corporate Governance requirements as stipulated under the SEBI (Listing Obligation and Disclosure Requirements), 2015 are not applicable to the company except few.

As per the Guideline and direction of the SEBI & Stock Exchange accordingly the company has been adhering to the directions and guideline, as required and if applicable.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, in respect of corporate governance including constitution of the Board and Committees thereof.

The Corporate Governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law. The Board functions either as a full board or through the various committees constituted to oversee specific operational areas. The Board of Royal Arc Electrodes Limited consists of Six Directors with a fair representation of Executive, Non-Executive and Independent Directors. As per SEBI (LODR) Regulations, the Company has three Independent Directors.

There is no institutional nominee on the Board. Details of Directors retiring by rotation and their brief are provided in the notice to Annual General Meeting. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI (LODR) Regulation, 2015 and the Companies Act, 2013.

11) COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company is being managed in a way which ensures accountability, transparency and fairness in all its transactions in widest sense and meet up its stakeholder's aspirations and societal expectations. The Company has always endeavoured to implement the Corporate Governance process in the most democratic form as maximization of shareholder's wealth is cornerstone of our Company. For the Company the advent of the SEBI (LODR) Regulations 2015 has paved way for sharing with the stakeholders, the corporate governance practices, which are deeply rooted in the corporate culture of the Company. Our Company has been committed in adopting and adhering to global recognized standards of corporate conduct towards its employees, clients and the society at large. The management team of our Company exerts the strict adherence to corporate governance practices in order to cover the entire spectrum of governance activities and benchmark its practices with the prevailing guidelines of Corporate Governance.

12) NUMBER OF BOARD MEETING HELD:

During the year under review **6 (Six)** meeting of the Board of Director were held as under:

1.	28.05.2025	2.	05.09.2025	3.	29.09.2025
4.	10.11.2025	5.	21.01.2026	6.	11.03.2026

The details of attendance of Director with respect to above meeting are as follows:

Sr. No	Name of the Director	DIN	No. of Board Meetings Entitled Attend	No. of Board Meetings Attended	Attendance at Annual General Meeting
1.	Mr. Bipin Shantilal Sanghvi	00462839	6	6	Yes
2.	Mr. Hardik Bipin Sanghvi	00617415	6	6	Yes
3.	Mr. Swagat Bipin Sanghvi	01695341	6	6	Yes
4.	Mr. Kunal Kamlesh Turakhia	10455417	6	6	Yes
5.	Mrs. Jayna B Mehta	10455416	6	6	Yes
6.	Mr. Rahul Rajan Vattamparambil	10455717	6	6	Yes

13) DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Details regarding our Board of Director as on 31st March, 2026 are set forth in below table:

Name of Director/KMP	Designation	DIN	Date of Appointment
Mr. Bipin Shantilal Sanghvi	Chairman and Managing Director	00462839	15/01/1996
Mr. Hardik Bipin Sanghvi	Whole Time Director & Chief Financial Officer	00617415	01/12/2012 Appointed as Chief Financial Officer (CFO) w.e.f. 16/01/2024
Mr. Swagat Bipin Sanghvi	Whole Time Director	01695341	16/08/2010
Mrs. Jayna B Mehta	Non-Executive & Independent	10455417	16/01/2024
Mr. Rahul Rajan Vattamparambil	Non-Executive & Independent	10455416	16/01/2024
Mr. Kunal Kamlesh Turakhia	Non-Executive & Independent	10455717	16/01/2024

The following changes have taken place in the Board of Directors and Key Managerial Personnel of the Company post the financial year 2025-26.

1. On 15.04.2026, Mrs. Mansi Maulik Bagadiya resigned as Company Secretary and Compliance Officer.
2. Mr. Krunal Shah, was appointed as Company Secretary and Compliance Officer w.e.f. 19.05.2026.

14) BOARD COMMITTEES:

Your Company has in place the Committee(s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently Three committees of the Board, namely:

1. Audit Committee.
2. Nomination & Remuneration Committee.
3. Stakeholders' Relationship Committee.

The details of the committees along with their composition are discussed below:

➢ **Audit Committee:**

Your Company has constituted Audit Committee as per section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the terms of reference of Audit Committee are broadly in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

The Audit Committee comprises of the following Members as on 31st March, 2026.

Name of Director	Nature of Directorship	Designation in Committee
Mrs. Jayna B Mehta	Non-Executive Independent Director	Chairperson
Mr. Hardik Bipin Sanghvi	Executive Director	Member
Mr. Kunal Kamlesh Turakhia	Non-Executive Independent Director	Member

During the year under review **02 (Two)** meeting of the Audit Committee were held as under:

SN	Date(s) of Meeting	Name of the Members Present		
		Mrs. Jayna B Mehta	Mr. Hardik Bipin Sanghvi	Mr. Kunal Kamlesh Turakhia
1	28.05.2025	Present	Present	Present
2	10.11.2025	Present	Present	Present

➢ **Nomination and Remuneration Committee:**

Your Company has constituted a Nomination and Remuneration Committee in accordance with the section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee comprises of the following Members as on 31st March, 2026.

Name of Director	Nature of Directorship	Designation in Committee
Mrs. Jayna B Mehta	Non-Executive Independent Director	Chairperson
Mr. Kunal Kamlesh Turakhia	Non-Executive Independent Director	Member
Mr. Rahul Rajan Vattamparambil	Non-Executive Independent Director	Member

During the year under review **01 (One)** meeting of the Nomination and Remuneration Committee were held as under:

SN	Date(s) of Meeting	Name of the Members Present		
		Mrs. Jayna B Mehta	Mr. Kunal Kamlesh Turakhia	Mr. Rahul Rajan Vattamparambil
1	29.09.2025	Present	Present	Present

- **Stakeholders' Relationship Committee:**

Your Company has constituted a Stakeholders' Relationship Committee in accordance with the section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015, to redress complaints of the shareholders.

The Stakeholders' Relationship Committee comprises the following Members as on 31st March, 2026:

Name of Director	Nature of Directorship	Designation in Committee
Mr. Kunal Kamlesh Turakhia	Non-Executive Independent Director	Chairman
Mr. Hardik Bipin Sanghvi	Executive Director	Member
Mr. Swagat Bipin Sanghvi	Executive Director	Member

During the year under review **04 (Four)** meeting of the Stakeholders' Relationship Committee were held as under:

SN	Date(s) of Meeting	Name of the Members Present		
		Mr. Kunal Kamlesh Turakhia	Mr. Hardik Bipin Sanghvi	Mr. Swagat Bipin Sanghvi
1	28.05.2025	Present	Present	Present
2	29.09.2025	Present	Present	Present
3	10.11.2025	Present	Present	Present
4	11.03.2026	Present	Present	Present

15) GENERAL MEETING(s):

Following General Meeting was held during the period under review:

Type of Meeting	Date	Venue
Annual General Meeting	29.09.2025	72 B, Bombay Talkies Compound, S.V.Road, Malad West, Mumbai – 400064

16) DISCLOSURE BY DIRECTORS:

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP 1, intimation under Section 164(2) i.e. in Form DIR 8, List of relatives and declaration as to compliance with the Code of Conduct of the Company.

17) SECRETERIAL STANDARD RELATING TO THE MEETINGS:

The Company has complied with the applicable Secretarial Standards (SS) i.e. SS 1 (on Meeting of Board of directors) and SS-2 (on General Meeting) during the financial year 2025-2026.

18) PEFORMANCE EVALUATION OF THE BOARD, ITS COMMITTES AND INDIVIDUAL DIRECTOR:

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/ Committee Meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

19) DECLARATION BY THE INDEPENDENT DIIRECTOR:

Pursuant to Section 149(7) of the Act, the Company has received declarations from all Independent Directors, confirming that they meet the criteria of independence as specified in Section 149(6) of the Act, as amended, read with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence and that they are independent of the Management.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct and that they are registered on the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs. The Directors have further confirmed that they are not debarred or disqualified from holding the office of director under any order of MCA, SEBI or other regulator. The Board of Directors of the Company have taken on record the aforesaid declaration and confirmation submitted by the Independent Directors.

20) SEPARATE MEETING OF INDEPENDENT DIRETORS:

Independent Directors of the Company held their Separate meeting under Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of Companies Act, 2013 on Wednesday, 11th March, 2026 at Registered office of the Company to evaluate their performance.

21) NOMINATION AND REMUNERATION POLICY:

Nomination and Remuneration Policy in the Company is designed to create a high-performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel. The Nomination and Remuneration Policy of the Company is posted on the website of the Company.

22) DETAILS OF KEY MANAGERIAL PERSONNEL:

In terms of Section 203 of the Companies Act, 2013, Mr. Bipin Shantilal Sanghvi is Managing Director, Mr. Hardik Bipin Sanghvi is Chief Financial Officer, Mrs. Mansi Maulik Bagadiya was a Company Secretary & Compliance Officer of the Company till 15.04.2026 and Mr. Krunal Shah, is a Company Secretary and Compliance Officer w.e.f. 19.05.2026.

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

The Details Loan, Guarantee and Investment covered under the provision of section 186 of the Act, read with Companies (Meeting of Board and its Power) Rule 2014 as on 31st March, 2026 are given in Notes to the Financial Statement forming part of this Annual Report and are complied.

24) AUDITORS:

a) Statutory Auditor:

M/s. J.H. Gandhi & CO**.,** Chartered Accountant, Mumbai, (Firm Registration No.: 0116513W), appointed as Statutory Auditor of the Company for a term of 5 (five) consecutive years from the conclusion of 29th AGM till the conclusion of the 34th AGM, i.e. FY 2025-2026 to 2029-2030.

There are no qualifications, reservations or adverse remarks or disclaimers made by the auditors in their report on the financial statements of the Company for the Financial Year ended March 31, 2026. The notes on the Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any comments or explanations.

b) Internal Auditor:

Pursuant to the provisions of Section 138 of Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013, M/s. Ketan N Shah & Co, Chartered Accountants were reappointed as Internal Auditors of Company for the three financial years from 2026-2027 to 2028-2029.

c) Cost Auditors:

The Company is required to make and maintain cost record pursuant to Section 148 of the Companies Act, 2013.

In terms of the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company on the recommendation of the Audit Committee appointed C. B. Modh & Co. (FRN – 101474) Cost Accountants, as the Cost Auditors, to conduct the Cost Audit of your Company for the Financial Year ended March 31, 2026. The Cost Auditors submitted their report for Financial Year 2025-2026 within the timeframe prescribed under the Companies Act, 2013 and rules made thereunder and the report does not contain any qualification, reservation, disclaimer or adverse remark.

The Board, on the recommendation of Audit Committee has appointed C. B. Modh & Co. (FRN – 101474) Cost Accountants, as the Cost Auditors of the Company for Financial Year 2026-2027 at a remuneration of Rs. 68,500 plus applicable taxes and reimbursement of travel and out of pocket expenses. The Company has received consent from C. B. Modh & Co. (FRN – 101474) Cost Accountants, as the Cost Auditors, to act as the Cost Auditor of your Company for Financial Year 2026-2027, along with the certificate confirming their eligibility. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors has to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing Annual General Meeting.

d) Secretarial Audit and Secretarial Audit Report:

In terms of the provision of the Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mrs. Riddhi Shah, Company Secretary in Practice

(COP 17035 & PR No. 2037/2022), as the Secretarial Auditor for conducting the Secretarial Audit of your Company for the Financial Year ended March 31, 2026 & till FY 2029-2030. The report of the Secretarial Auditor is annexed to this report as **"Annexure A"**. The contents of the Secretarial Audit Report are self-explanatory and do not contain any qualification, reservation or adverse remark.

Mrs. Riddhi Shah, has tendered her resignation as a Secretarial Auditor with effect from 19.05.2026.

The Board of Directors on the recommendation of Audit Committee, appointed CS Dipti Gohil, (Membership No. ACS 14736 & COP No. 11029) Practicing Company Secretary as a Secretarial Auditor of the Company for the period of 5 consecutive years commencing from the financial year 2026-27 until the conclusion of the annual general meeting to be held for financial year 2030-31 subject to approval of shareholders in this Annual General Meeting in reference to Regulation 24A of the SEBI (LODR).

25) DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS:

Pursuant to provisions of Section 143 (12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Board during the financial year under review.

26) UTILIZATION OF FUND RAISED FROM INITIAL PUBLIC OFFERING:

During the FY 2024-2025, the Company had raised money by way of Initial Public Offering by issuing 18,00,000 equity shares of Rs. 10 each at a premium of Rs. 110 per share. The money as raised have been applied for the purposes for which those are raised till March 31, 2026 as follows:

SN	Object	Modified Object, if any	Original Allocation (Rs.)	Modified allocation, if any	Funds Utilised (Rs.)	Amount of Deviation /Variation for the quarter according to applicable object	Remarks if any
1.	Funding towards the expansion of our manufacturing facility situated at Village Zaroli, Umbergaon Valsad, Gujarat, Bharat.	N.A.	4,88,66,000	N.A.	4,88,66,000	Nil	N.A.
2.	Funding the working capital requirements of our Company	N.A.	14,00,00,000	N.A.	14,00,00,000	Nil	N.A.
3.	General corporate purposes	N.A.	2,71,34,000	N.A.	2,58,51,715	Nil	N.A.
	Total	**N.A.**	**21,60,00,000**	**N.A.**	**21,47,17,715**	**N.A.**	

27) DEPOSITS:

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

28) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant and material orders passed by any Regulators, Courts or Tribunals during the financial year that would impact the going concern status of the Company or its future operations continue in the normal course of business.

29) 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 B**".

30) SUBSIDIARIES OF THE COMPANY:

During the year under review, the Company does not have any subsidiary Company.

31) ASSOCIATES AND JOINT VENTURE OF THE COMPANY:

During the year under review, the Company does not have any Associate or Joint Venture.

32) TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

There is no money lying to unpaid/unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government in pursuant to the provisions of Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Further, the provisions related to the shares in respect of which dividend has not been paid/claimed for the consecutive period of seven (7) years or more which are required to be transferred to the demat account of the IEPF Authority, are not applicable to the Company.

33) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

a) In the preparation of the Annual Accounts for the year ended 31st March, 2026, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) they 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 of the Company for the same period;

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the Annual Accounts on a going concern basis;

e) they have laid down internal financial controls in the Company that are adequate and were operating effectively.

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

34) PARTICULARS OF CONTRACT OR ARRANGEMENT WITH THE RELATED PARTY:

In accordance with the provisions of Section 188(1) of the Companies Act, 2013 there are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transactions are being reported in Form AOC-2, in terms of Section 134 of the Act read with rule 8 of the Companies (Accounts) Rules, 2014 and hence does not form part of this report.

However, the disclosure of the related parties is provided in the notes to accompanying financial statements of the Company for the FY ended 31st March, 2026 in accordance with the Accounting Standards.

35) PARTICULARS OF EMPLOYEES UNDER SECTION 197(12) AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The information in accordance with the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **"Annexure C"** to this Report.

36) CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company is committed to playing an active role in transforming communities by creating long-term value for all stakeholders and improving their socioeconomic well-being. We believe in fostering business growth in a socially and environmentally responsible manner.

During the financial year under review 2025-2026 the provision of section 135 of the Companies Act, 2013 regarding CSR is applicable to the company.

In line with the provisions of Section 135 of the Companies Act, 2013, and the rules framed thereunder, the Company has a comprehensive CSR Policy. The said policy is available on the Company's website at www.royalarc.in. The Obligation of CSR Committee is not applicable to the Company, the Board of Directors have been actively engaged in fulfilling the Company's social and environmental obligations.

Our CSR policy, duly approved by the Board of Directors, outlines our commitment to operating in an economically, socially, and environmentally sustainable manner. We are dedicated to implementing projects that align with the national development agenda and the focus areas specified under Schedule VII of the Companies Act, 2013.

Accordingly, the Company's prescribed CSR expenditure for the year was Rs. 21,59,440/- and the Board is pleased to report that the Company has spent Rs. 21,59,440/- on various CSR activities during the year, which is in compliance with the prescribed CSR obligation. The details of the projects and programs undertaken, along with the expenditure incurred, are provided in the **"Annexure D".**

37) MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a review of the performance of the Company for the year under review Management Discussion and Analysis Report is presented in a separate section which is annexed to this Report as **Annexure "E".**

38) INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY:

Your Company has in place adequate internal control systems commensurate with the size of its operations. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal auditors and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2025-2026.

39) 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	
(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 - Rs. 389.04 Lakhs towards value of exports. 2. Total Foreign Exchange outgo - Rs. 25.29 Lakhs.

40) RISK MANAGEMENT POLICY:

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.

The Company has been addressing various risks impacting the Company. Risk Management is integral to your Company's strategy and for the achievement of our long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities while managing the risks.

During the financial year under review 2025-2026, the Company has constituted Risk Management Policy, which is uploaded on the website of the Company i.e. www.royalarc.in.

41) DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

There is neither an application made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2025-2026.

42) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operation.

43) VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act.

The Policy also provides adequate protection to the Directors, Employees and Business Associates who report unethical practices and irregularities. Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. The Whistle Blower Policy of the Company can be accessed at website of the Company at www.royalarc.in.

44) SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

To foster a positive workplace environment free from harassment of any nature we have framed Prevention of Sexual Harassment Policy through which we address complaints of sexual harassment at all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

Number of sexual harassment complaints received- Nil

Number of sexual harassment complaints Disposed-off during the year- Nil

Number of sexual harassment cases pending for a period exceeding ninety days- Nil

45) INTERNAL FINANCIAL CONTROLS:

The Company has laid proper and adequate systems of internal financial control commensurate with the size of its business and nature of its operations with regard to the following:

i. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization.

ii. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.

iii. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.

iv. The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.

v. Proper systems are in place for the prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

46) CODE OF CONDUCT

Pursuant to the provisions of Regulations 8 & 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors has formulated, implemented and has in place a comprehensive "Code of Fair Disclosure of Unpublished Price Sensitive Information" & "Code of Conduct for Prevention of the Insider Trading" for regulating, monitoring and reporting the trading by Designated persons of the Company which exemplifies the spirit of good ethics and governance and is applicable to the Designated personnel of the Company which includes Promoters, Promoter Group, Key Managerial Personnel's, Directors, Senior Management and such other employees of the Company and others in fiduciary relationships and as may be approved by the Board of Directors, from time to time, based on the fact of having access to unpublished price sensitive information. The referred Code(s) lays down guidelines advising the Designated Personnel on procedures to be followed and disclosures to be made while dealing with the securities of the Company.

Further, the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct. A declaration with regards to compliance with the Code of Conduct for the Financial Year 2025-2026 has been received by the Company from the Managing Director.

47) LISTING:

The Equity Shares of the Company are listed on SME Platform of National Stock Exchange Emerge Platform ("NSE Emerge"). The Company has made payment of Annual Listing Fees and other compliance fees.

48) ADHERENCE TO STATUTORY COMPLIANCES

During the Financial Year under review, the Company diligently adhered to all the relevant statutory compliances of the Act, Listing Regulations, Secretarial Standards issued by ICSI, and other laws, provisions, and Acts that are applicable to the Company. This unwavering commitment to compliance ensures that the Company operates within the legal framework, maintaining transparency and accountability in its operations. By upholding these standards, the Company strives to build trust among its stakeholders while fostering a culture of responsible corporate governance.

49) ONE TIME SETTLEMENT WITH BANKS:

There has been no one-time settlement done during the year.

50) COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961:

The Company affirms that it is in full compliance with the provisions of the Maternity Benefit Act, 1961, as amended from time to time. The Company is committed to fostering a supportive and inclusive work environment, and ensures that all relevant policies and practices are regularly reviewed and aligned with the applicable statutory requirements.

51) WEBSITE DISCLOSURE:

The Company maintains an updated website at www.royalarc.in , which serves as a comprehensive resource for stakeholders, including shareholders, investors, and the general public. The website contains important information about the Company's operations, corporate governance policies, financial reports, statutory filings, and other relevant details.

52) ACKNOWLEDGEMENT:

The Board would like to express their sincere gratitude and appreciation to all employees at every level of the company top, middle, and lower whose dedication and hard work have been instrumental in driving our company's continuous growth and increasing shareholder value.

The Board wishes to express its grateful appreciation for the assistance and cooperation received from Vendors, Customers, Consultants, Banks, Financial Institutions, Central and State Government bodies, Dealers, and other Business Associates. The Board deeply acknowledges the trust and confidence placed by the Consumers of the Company and, above all, the Shareholders.

For Royal Arc Electrodes Limited

	Mr. Bipin Sanghvi	**Mr. Hardik Sanghvi**
Place: Mumbai	**Managing Director**	**Whole Time Director**
Date: 19th May, 2026	**DIN: 00462839**	**DIN 00617415**

Annexure A to Director's Report

Form No. MR-3

Secretarial Audit Report

for the financial year ended 31st March 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Royal Arc Electrodes Limited
72 B, Bombay Talkies Compound,
S.V.Road, Malad West, Mumbai – 400064

We have conducted Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Royal Arc Electrodes Limited CIN- L31100MH1996PLC096296** (hereinafter referred as **'the Company'**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March, 2026,** complied with the statutory provisions listed hereunder and also, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year ended 31st March 2026** according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the Rules made thereunder;

(ii) the Securities Contracts (Regulation) Act, 1956 ('SCRA'), rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under, to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – **Not applicable as the Company has not issued any shares/ options to directors/ employees during the financial year under review;**

   e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**

f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review;**

g. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 – **Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review;**

h. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 – **Not Applicable as the Company has not issued and listed Non-Convertible Securities during the financial year under review and;**

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

j. The Securities and Exchange Board of India (Depositories and Participants Regulations, 2018)

(vi) The Management of the Company represented that fiscal, labour and environmental laws and other Statutes which are applicable to such type of companies, are generally complied with which inter-alia includes the followings which are specifically applicable to the company:

a. The Air (Prevention and Control of Pollution) Act, 1981;
b. The Water (Prevention and Control of Pollution) Act, 1974;
c. The Factories Act, 1948;
d. The Employees State Insurance Corporation Act, 1948;
e. The Industries Development and Regulation Act, 1951;
f. The Standards of Weights and Measures Act, 1976 and
g. All other applicable laws

We have also examined compliance with the applicable provisions of the following:

i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;

ii. The Listing Agreement entered into by the Company with National Stock Exchange of India Ltd (NSE) in respect of listing of equity shares of the company on NSE EMERGE Platform.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including Woman Director. The changes in the composition of the Board that took place during the year under review were carried out in compliance with the provisions of the Act;

- Adequate notice is given to all Directors to schedule Board and Committee Meetings; agenda and detailed notes on agenda were sent at least seven days in advance (except in few instances where meeting is convened at a shorter notice and for which, if necessary, required approvals are obtained), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

- All the decisions of the Board and Committees thereof were carried unanimously.

I further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The adequacy and efficacy shall read in context f reporting as specified in the report.

I further report that during the audit period, there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above- referred laws, rules, regulations, guidelines, standards, etc.:

1. Reduction in Salary of Whole-Time Directors of the Company w.e.f. 01/10/2025.

2. Declaration of Interim Dividend of Rs. 0.50/- per equity share of Rs. 10/- each of the Company for the F.Y. 2025-26:

This Report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Riddhi Krunal Shah
Practicing Company Secretary
COP: 17035 / PR No.:2037/2022
UDIN: A020168H000408831

Place: Mumbai
Date: May 19, 2026

Annexure- A

To
The Members,
Royal Arc Electrodes Limited
72 B, Bombay Talkies Compound,
R.V. Road, Malad West, Mumbai – 400064
Our Secretarial Audit Report for the financial year ended 31st March, 2026 of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.

4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.

6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.

8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Riddhi Krunal Shah
Practicing Company Secretary
COP: 17035 / PR No.:2037/2022
UDIN: A020168H000408831

Place: Mumbai
Date: May 19, 2026

Annexure B to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2026 [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	L31100MH1996PLC096296
ii.	Registration Date	15th 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	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	**KFIN Technologies Limited** Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032. Toll Free / Phone Number: 1800 309 4001 WhatsApp Number: (91) 910 009 4099

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%

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

SN	Category of Shareholder	No. of Shares held at the beginning of the year: 31/03/2025				No. of Shares held at the end of the year : 31/03/2026				
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
	(A) Shareholding of Promoter and Promoter Group									
1	**Indian**									
a)	INDIVIDUAL / HUF	8099178	0	8099178	72.96%	8099178	0	8099178	72.96%	0.00
b)	Central Government / State Government	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d)	Other financial institutions	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
1	Group Companies	0	0	0	0.00	0	0	0	0.00	0.00
2	Trusts	0	0	0	0.00	0	0	0	0.00	0.00
3	Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	**8099178**	**0**	**8099178**	**72.96%**	**8099178**	**0**	**8099178**	**72.96%**	0.00
2										
a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individual	0	0	0	0.00	0	0	0	0.00	0.00
c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0**	**0.00**
3										
a)	Any Others (Specify)									
1	Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**
	Total Public Shareholding	**8099178**	**0**	**8099178**	**72.96%**	**8099178**	**0**	**8099178**	**72.96%**	**0**
	(B) Public Shareholding									
4	**Institutions (Domestic)**									
a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
c)	Alternate Investment Funds	21600	0	21600	0.19	0	0	0	0	(0.19)

SN	Category of Shareholder	No. of Shares held at the beginning of the year: 31/03/2025				No. of Shares held at the end of the year : 31/03/2026				
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
d)	Banks	0	0	0	0.00	0	0	0	0.00	0.00
e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f)	Provident / Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
g)	Asset Reconstruction Companies	0	0	0	0.00	0	0	0	0.00	0.00
h)	Sovereign Wealth Funds	0	0	0	0.00	0	0	0	0.00	0.00
i)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
j)	Other Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1)	**21600**	**0**	**21600**	**0.19**	**0**	**0**	**0**	**0**	**(0.19)**
5	**Institutions (Foreign)**									
a)	Foreign Direct Investment	0	0	0	0.00	0	0	0	0.00	0
b)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0
c)	Foreign Sovereign Wealth Funds	0	0	0	0.00	0	0	0	0.00	0
d)	Foreign Portfolio Investors Category I	792000	0	792000	7.14	618000	0	618000	5.57	(1.57)
e)	Foreign Portfolio Investors Category II	0	0	0	0.00	0	0	0	0.00	0
f)	Overseas Depositories (Holding DRs) (Balancing Figure)	0	0	0	0.00	0	0	0	0.00	0
	SUB TOTAL (B)(2)	**792000**	**0**	**792000**	**7.14**	**618000**	**0**	**618000**	**5.57**	**(1.57)**
6	**Central Government / State Government**									
a)	Central Government / President of India	0	0	0	0.00	0	0	0	0.00	0.00
b)	State Government / Governor	0	0	0	0.00	0	0	0	0.00	0.00
c)	Central/ State Govt. shareholding by Cos or Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(3)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**

SN	Category of Shareholder	No. of Shares held at the beginning of the year: 31/03/2025				No. of Shares held at the end of the year : 31/03/2026				
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
7	**Non-institutions**									
	Associate Companies / Subsidiaries	0	0	0	0.00	0	0	0	0.00	0.00
	Directors And their relatives (Non-Promoter)	0	0	0	0.00	0	0	0	0	0
	Key Managerial Personnel	0	0	0	0.00	0	0	0	0.00	0.00
c)	Relatives of Promoters (Non-Promoter)	0	0	0	0.00	0	0	0	0.00	0.00
	Trusts (Non-Promoter)	0	0	0	0.00	0	0	0	0.00	0.00
	Investor Education and Protection Fund(IEPF)	0	0	0	0.00	0	0	0	0.00	0.00
	INDIVIDUALS- i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	944222		944222	8.51	679022	0	679022	6.12	(2.39)
	INDIVIDUAL- ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	310800	0	310800	2.80	510000	0	510000	4.59	1.79
	Non Resident Indians (NRIS)	80400	0	80400	0.72	81600	0	81600	0.74	0.02
	Foreign Nationals	0	0	0	0.00					0.00
	Foreign Companies	0	0	0	0.00					0.00
	Bodies Corporate	852000	0	852000	7.68	1023600	0	1023600	9.22	1.54
	Any Other (Hindu Undivided Family)	0	0	0	0	88800	0	88800	0.80	0.80
	SUB TOTAL (B)(4)	**2187422**	**0**	**2187422**	**19.71**	**2383022**	**0**	**2383022**	**21.47**	**1.76**
	TOTAL	**11100200**	**100.00**	**11100200**	**100.00**	**11100200**	**100.00**	**11100200**	**100.00**	**0**

ii) Shareholding of Promoters & Promoter Group:

SN	Shareholder's Name	Shareholding at beginning of the year 01/04/2025			Shareholding at the end of the year 31/03/2026			
		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	7,21,717	6.50%	Nil	7,21,717	6.50%	Nil	Nil
2	Hardik Sanghvi	23,49,750	21.17%	Nil	23,49,750	21.17%	Nil	Nil
3	Ami H. Sanghvi	5,18,750	4.67%	Nil	5,18,750	4.67%	Nil	Nil
4	Swagat Sanghvi	23,49,750	21.17%	Nil	23,49,750	21.17%	Nil	Nil
5	Pooja S. Sanghvi	5,18,750	4.67%	Nil	5,18,750	4.67%	Nil	Nil
6	Tarulata B Sanghvi	16,40,461	14.78%	Nil	16,40,461	14.78%	Nil	Nil
	TOTAL	**80,99,178**	**72.96%**	Nil	**80,99,178**	**72.96%**	**Nil**	Nil

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

There is no change in promoters shareholding during the financial year under consideration.

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

Sr. No	Name	Shareholding as the beginning of the year 01.04.2025		Increase/ Decrease in Shareholding	Shareholding as the beginning of the year 31.03.2026	
		No. of Shares	%		No. of Shares	%
1	Shreni Shares Limited	466800	4.21	163200	630000	5.68
2	Meru Investment Fund PCC – Cell 1	370800	3.34	-38400	332400	2.99
3	Mint Focused Growth Fund Pcc- Cell 1	250800	2.26	-19200	231600	2.09
4	Share India Securities Limited	99600	0.90	-82800	16800	0.15
5	Zeal Global Opportunities Fund	86400	0.78	-32400	54000	0.49
6	Saint Capital Fund	84000	0.76	-84000	0	0.00
7	Sanghavi Commodity Private Limited	72000	0.65	63600	135600	1.22
8	Yammada Subramaniyam Venkata	72000	0.65	0	72000	0.65
9	Jainet Trading LLP	67200	0.61	0	67200	0.61
10	Srinivas Danthuri	48000	0.43	0	48000	0.43

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 01/04/2025			Shareholding at the end of the year 31/03/2026			
		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	7,21,717	6.50%	Nil	7,21,717	6.50%	Nil	Nil
2	Hardik Sanghvi	23,49,750	21.17%	Nil	23,49,750	21.17%	Nil	Nil
3	Mansi Bagadiya	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Krunal Shah	Nil	Nil	Nil	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

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

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	26.08	-	26.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**26.08**	**-**	**26.08**
Change in Indebtedness during the financial year				
Addition	-	127.34	-	127.33
Reduction	-	133.04	-	133.04
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	-	20.38	-	20.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**20.38**	**-**	**20.38**

Note: Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's presentation. Accordingly, the Loan from Director has been regrouped under the appropriate head in the current year.

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	56.31	56.31	56.31	168.93
	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	-	-	-	-
5	Others (Company contribution towards PF, Medical Reimbursement)	0.22	0.22	0.22	0.66
	Total	**56.53**	**56.53**	**56.53**	**169.59**
	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.

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

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of KMP		Total Amount
		Mr. Hardik Sanghvi (CFO)	Mrs. Mansi Bagadiya (CS)	
1	Gross Salary			
	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	56.31	2.65	58.96
	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	-	-	-
5	Others (Company contribution towards PF, Medical Reimbursement)	0.22	-	0.22
	Total	56.53	2.65	59.18

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Annexure C to Directors' Report

STATEMENT OF DISCLOSURE OF REMUNERATION

Pursuant to Section 197 of the Companies Act, 2013 ("the Act") and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. **The Ratio of the remuneration of each Director to the median Remuneration of the Employees of the Company for Financial Year 2025-26.**

Sr. No.	Name of Director	Ratio
1	Mr. Bipin Shantilal Sanghvi	**31.16**
2	Mr. Hardik Bipin Sanghvi	**31.16**
3	Mr. Swagat Bipin Sanghvi	**31.16**
4	Mrs. Jayna B Mehta	-
5	Mr. Rahul Rajan Vattamparambil	-
6	Mr. Kunal Kamlesh Turakhia	-

2. **Percentage of increase/decrease in Remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any in the financial Year 2025-26.**

Sr. No.	Name of Director	Designation	% Increase/decrease in Remuneration
1	Mr. Bipin Shantilal Sanghvi	Chairman & Managing Director	-0.25
2	Mr. Hardik Bipin Sanghvi	Executive Director	-0.25
3	Mr. Swagat Bipin Sanghvi	Executive Director	-0.25
4	Mrs. Jayna B Mehta	Independent Director	-
5	Mr. Rahul Rajan Vattamparambil	Independent Director	-
6	Mr. Kunal Kamlesh Turakhia	Independent Director	-
7	Mrs. Mansi Maulik Bagadiya	Company Secretary	-0.12

3. The Median remuneration of employees of the company during the Financial Year 2025-26 was Rs. 1.81 Lakhs.
4. There was Increase in the median remuneration of the employees in the financial year 2025-26 around 23.13%
5. The number of permanent employees on the rolls of company is 164.
6. The average increase of the remuneration of employees is in line with the current year's performance, market dynamics and as a measure to motivate the employees for better future performance to achieve the organization's growth expectations.
7. The Company affirms remuneration is as per the Remuneration Policy of the Company.

DISCLOSURE ON REMUNERATION OF TOP TEN EMPLOYEES OF THE COMPANY IN TERMS OF SALARY DRAWN AS REQUIRED UNDER SECTION 134(3) (Q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Sr. No.	Name	Age (Years)	Designation	Experience (Year)	Date of Commencement of employment	Nature of Employment	Relationship to any Director	Number of Shares Held
1	MR. SRIKANT G.V	54	PRODN. MANAGER.	30	23/08/2024	Skilled	NA	Nil
2	MR. VIKAS VAISHNAV	33	EXPORT MANAGER	10	16/12/2025	Skilled	NA	Nil
3	MR. A. KUSHWAHA	36	SR.MGR.-BUSINESS DEV. [BHILAI] - [MKTG.]	12	01/06/2013	Skilled	NA	Nil
4	MR. T. DHOTRE	34	GEN.MGR. [MKTG.]	12	03/01/2022	Skilled	NA	Nil
5	MR. K. SHAIKH	41	MANAGER-SALES	20	01/06/2014	Skilled	NA	Nil
6	MR. Y. PATIL	47	PRODN. MANAGER.	22	01/10/2014	Skilled	NA	Nil
7	MR. S. K. ALI	50	AREA SALES MANAGER (ORISSA)	16	15/01/2012	Skilled	NA	Nil
8	MR. RAVI KUMAR	57	GENERAL MANAGER	25	16/06/2025	Skilled	NA	Nil
9	MISS C. MUKNAK	36	TENDER CO-ORDINATOR	16	01/08/2020	Skilled	NA	Nil
10	MR. PRAVIN NAVGIRE	30	MANAGER	10	02/05/2024	Skilled	NA	Nil

The statement of remuneration will be made available for inspection by the Members during the business hours on any working day, 21 days prior to the date of AGM. Interested Members may write to the Company for obtaining a copy of the same.

Annexure D to Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

for the Financial Year 2025-26 as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

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: **https://royalarc.in/wp-content/uploads/2025/07/CSR_Policy_RAEL.pdf**

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. - **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. 1,092.18 Lakhs**

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 21,59,440/-**

   (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. 21,59,440/-**

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. 21,59,440/-	NA	NA	NA	NA	NA

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl 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. In Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration No.
1.	Promoting health care mainly to economically and socially marginalized people	As per schedule VII of the Act.	Yes	Maharashtra	Maharashtra	Rs. 21,59,440/-	No.	Shri Gautamswami Charitable Trust	CSR00051622

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

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

(e) Total amount spent for the Financial Year (7a+7b+7c+7d): **Rs. 21,59,440/-**

(f) Excess amount for set off, if any

Sl No.	Particulars	Amount in Lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 21.59
(ii)	Total amount spent for the Financial Year	Rs. 21.59
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable**

For and on behalf of the Board
FOR ROYAL ARC ELECTRODES LTD

BIPIN SHANTILAL SANGHVI
MANAGING DIRECTOR
DIN: 00462839

Place: Mumbai
Date: 19/05/2026

Annexure E to Directors' Report

Management Discussion & Analysis Report

OVERVIEW

Royal Arc Electrodes Limited ("RAEL" or "the Company") was incorporated in 1996 and has, over nearly three decades, established itself as a manufacturer of welding consumables, including welding electrodes, flux cored wires and MIG/TIG wires. The Company also trades in ancillary and allied products such as cutting wheels, electro-slag strip cladding, SAW flux and TIG/MIG wires, enabling it to service a broad cross-section of fabrication and welding requirements. As Managing Director, I am pleased to present this Management Discussion & Analysis for the year, which sets out the industry environment, our performance, and the opportunities and risks that will shape the Company's path ahead.

INDUSTRY STRUCTURE & DEVELOPMENTS

The Indian welding consumables industry continues to be closely linked to the broader manufacturing and capital goods cycle, drawing demand from infrastructure, engineering, automotive, railways, shipbuilding, energy and construction. As a company listed on the NSE SME Emerge platform, RAEL operates within the "Electrodes & Refractories" segment of the Industrial Products space, competing alongside both larger integrated players and smaller regional manufacturers.

Demand for welding consumables remained resilient through the year, supported by continued government thrust on infrastructure creation, private sector capital expenditure, and steady replacement and maintenance demand from user industries. The Company has also been investing in capacity — gross block and capital work-in-progress both expanded during the year — positioning RAEL to capture incremental demand as utilisation across the industry improves.

Within this landscape, a few structural trends stand out:

- Continued preference among fabricators for organised, quality-certified consumable suppliers over unorganised players, aiding companies with established brands and distribution.
- Gradual technology upgradation in end-user industries toward flux cored wire and MIG/TIG based processes, alongside continuing demand for conventional electrodes.
- Import substitution and "Make in India" oriented procurement by large industrial and infrastructure customers.
- Volatility in key input costs — steel, ferro alloys, copper and other metallic inputs — which continues to be a key variable in margin outcomes across the industry.

OPPORTUNITIES & THREATS

Opportunities

- Rising demand for welding consumables from infrastructure, railways, shipbuilding, energy and general engineering sectors.
- Scope to deepen the product mix toward higher value-added flux cored wire and specialised consumables, supported by the ongoing capacity expansion.
- Expansion of the trading portfolio in ancillary and allied welding products, widening the addressable customer base without proportionate capital investment.
- Potential to grow export markets and dealer/distributor reach as capacity utilisation improves.
- Government policies supporting domestic manufacturing, coupled with the implementation of BIS quality standards, have encouraged greater adoption of certified products, benefiting organised manufacturers with established quality systems and enhancing overall industry standards.

Threats

- Volatility in raw material prices, particularly steel, ferro alloys and copper, which can compress margins if not fully passed through.
- Intense competition from both larger national players and regional unorganised manufacturers on price.
- Elongation of the working capital cycle, with debtor and inventory days remaining a monitorable during the year.
- Supply chain and logistics disruptions arising from geopolitical developments.
- Dependence on a relatively concentrated set of customers and geographies typical of a company of RAEL's scale.

GROWTH CATALYSTS

Alongside the industry-level opportunities set out above, a number of Company-specific developments are expected to shape performance over the coming years:

- Capacity expansion at Zaroli (Gujarat): The ₹4.89 Crore expansion of manufacturing capacity at the Company's Zaroli plant, funded entirely out of IPO proceeds, was completed and fully utilised by 31 March 2026. With this bottleneck removed, the Company is better placed to convert its existing order book from railways, automotive and infrastructure customers into higher output, without the need for further equity dilution.
- New European distribution channel: The Company shipped its first order under a new European distribution arrangement in November 2025, valued at approximately ₹12.50 lakh, with further shipments expected to follow. This adds a direct, higher-margin European channel to RAEL's existing export footprint of over 20 countries, and should support better realisation per tonne over time.
- Working capital strengthening: The full ₹14 Crore of IPO proceeds earmarked for working capital was deployed by 31 March 2026. With the raw material procurement cycle now better funded, the Company is positioned to service larger orders and shorten delivery lead times without placing additional strain on trade credit.
- Leadership in stainless steel flux cored wire: RAEL is the first Indian manufacturer of quality stainless steel flux cored wires, a specialised product category with limited domestic competition. This first-mover position supports pricing power as fabrication activity across process industries and shipbuilding continues to shift toward higher-specification consumables.
- Investment in captive renewable power: A solar power capacity expansion is planned to increase the Company's reliance on captive renewable energy. Given the energy intensity of welding electrode manufacturing, displacing purchased grid power with captive solar generation should support operating margins by reducing a recurring variable cost over time.
- The Company continues to invest in research and development with a focus on improving product quality, developing specialised welding consumables and enhancing manufacturing efficiencies. Its R&D initiatives are aimed at delivering innovative, high-quality products with the objective of developing indigenous alternatives to imported welding consumables thereby supporting the Government's "Make in India" initiative and creating greater value for customers.

These initiatives are drivers management is monitoring and are not guarantees of future performance; actual outcomes will depend on demand conditions, execution and factors beyond the Company's control.

OUTLOOK, RISKS & CONCERNS

India's broader economic growth outlook remains constructive, supported by continued infrastructure spending, domestic consumption and policy reforms, which should sustain underlying demand for welding consumables. RAEL's own growth in recent years — sales have grown at a five-year compounded rate well ahead of the ten-year average — reflects both improving industry demand and the Company's own execution.

At the same time, the Board and management remain watchful of several risks: continued input cost volatility, the need to manage an increasingly elongated working capital and cash conversion cycle, execution risk on the ongoing capacity expansion, and competitive intensity in a fragmented industry. Interest rate and currency movements, while not a major concern given the Company's near debt-free balance sheet, are monitored as part of overall financial risk management. The Company's near-zero borrowings and healthy net worth provide comfort in navigating this environment, and management will continue to prioritise disciplined capital allocation, working capital efficiency and prudent execution of the capacity expansion already underway.

FINANCIAL PERFORMANCE

Income Statement

- Revenue increased by ~14% to ₹116 Crore (FY25: ₹102 Crore), supported by stronger volumes in the second half of the year (H2 FY26 sales of ₹63 Crore versus H1 FY26 sales of ₹53 Crore).
- Operating profit stood at ₹15 Crore, with operating margin (OPM) of 13% against 15% in FY25, reflecting the impact of input cost pressures during the year.

- Profit before tax was ₹14 Crore (FY25: ₹12 Crore).
- Net profit for the year was ₹10 Crore (FY25: ₹9 Crore), with earnings per share of ₹9.05 (FY25: ₹8.12).
- The Board has recommended a final dividend for the year, reflecting the Company's commitment to shareholder returns alongside continued reinvestment in growth.

Particulars (₹ Crore)	FY24	FY25	FY26
Sales	100	102	116
Operating Profit	17	15	15
OPM %	17%	15%	13%
Profit Before Tax	16	12	14
Net Profit	12	9	10
EPS (₹)	13.04	8.12	9.05

Key Financial Ratios

In accordance with Schedule V (Part B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the table below sets out the Company's key financial ratios for FY26 as compared to FY25, with explanations provided for movements of 25% or more.

Ratio	FY26	FY25	Change
Current Ratio	6.80	7.39	-8.0%
Debt-Equity Ratio	0.003	0.011	-78.9%
Debt Service Coverage Ratio	48.61	15.31	+217.4%
Return on Equity (%)	13.13%	15.79%	-16.8%
Inventory Turnover Ratio	5.98	6.32	-31.7%
Trade Receivable Turnover Ratio	4.95	4.88	+1.6%
Trade Payable Turnover Ratio	26.20	14.70	+78.2%
Net Capital Turnover Ratio	2.35	2.81	-16.4%
Net Profit Ratio (EBIT basis)	8.66%	8.85%	-2.2%
Return on Capital Employed	18.53%	20.58%	-10.0%
Return on Investment	1.26%	11.59%	-89.2%
Interest Coverage Ratio	140.63	94.91	+48.2%

Explanatory notes on ratios with a variance of 25% or more:

- Debt-Equity Ratio declined mainly on account of a reduction in total debt, together with a 13.22% increase in shareholders' equity — reflecting repayment of short-term borrowings and a further strengthening of the capital base, leaving the Company virtually debt-free.
- Debt Service Coverage Ratio improved sharply as total debt service obligations reduced, while earnings available for debt service remained strong (up a modest 1.93%) — reflecting the Company's robust capacity to service its now-minimal debt from operating profits.
- Inventory Turnover Ratio declined as average inventory rose ~17.75%, outpacing an 11.56% increase in cost of goods sold, as the Company built inventory to support higher order servicing.
- Trade Payable Turnover Ratio rose as average trade payables reduced alongside a 10.60% increase in net credit purchases, reflecting faster clearance of dues to suppliers during the year.
- Return on Investment fell sharply in the absence of the one-time investment gains that had boosted the prior year's figure.
- Interest Coverage Ratio improved on the back of continued debt reduction/refinancing and a modest ~1.6% growth in EBITDA.

Balance Sheet & Cash Flow

- The Company remains almost debt-free, with borrowings reduced to near nil (FY25: ₹1 Crore), reflecting a strong balance sheet position.
- Net worth strengthened further, with reserves increasing to ₹70 Crore (FY25: ₹61 Crore) and total assets growing to ₹91 Crore (FY25: ₹81 Crore).
- The Company continued to invest in capacity, with fixed assets increasing to ₹25 Crore (FY25: ₹21 Crore) and capital work-in-progress rising to ₹5 Crore (FY25: ₹2 Crore), reflecting the ongoing expansion programme.
- Cash generated from operating activities was ₹8 Crore for the year; investing outflows of ₹11 Crore, largely capex-led, resulted in a free cash outflow for the year as the Company continued to invest ahead of demand.
- Return on equity (ROE) stood at 13.1% and return on capital employed (ROCE) at 18.0% for the year.

Working Capital

The Company's cash conversion cycle lengthened during the year to 132 days (FY25: 125 days), with debtor days at 81 (FY25: 75), inventory days at 57 (FY25: 75) and payable days reducing sharply to 7 (FY25: 25). While inventory management improved, the reduction in payable days extended the overall working capital cycle, and this remains an area of active management focus going into the coming year.

Shareholding & Governance

Promoter shareholding stood steady at 72.96% as at the end of the year, reflecting continued promoter commitment to the Company. Public shareholding stood at 21.47%, with the balance held by institutional investors. The Board during the year also approved key governance matters including the reappointment of the Managing Director and Whole-Time Directors, and the appointment of statutory, secretarial, internal and cost auditors, underscoring the Company's continued focus on strong governance.

COMPLIANCE CERTIFICATE

MANAGING DIRECTOR /CEO AND CHIEF FINANCIAL OFFICER CERTIFICATION

Regulation 17(8) and 33(2)(a) of SEBI(LODR) 2015

A. We have reviewed Audited Financial Statements and cash flow statement for the year 2025-26 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violates listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.

D. We have also indicated to the Auditors and the Audit Committee.

1. Significant changes in Internal Controls with respect to financial reporting during the year.

2. Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.

3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Royal Arc Electrodes Limited

Mr. Bipin Sanghvi
Managing Director
DIN: 00462839

Mr. Hardik Sanghvi
Whole Time Director
DIN 00617415

Place: Mumbai
Date: 19th May, 2026

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Royal Arc Electrodes Limited
Mumbai

I, **Mr. Bipin Sanghvi**, Chairman & Managing Director of Royal Arc Electrodes Limited hereby declare that all the board members and senior executives one level below the executive directors including all functional heads have affirmed for the financial year ended 31st March, 2026, compliance with the code of conduct of the Company laid down for them.

For Royal Arc Electrodes Limited

Mr. Bipin Sanghvi
Managing Director
DIN: 00462839

Place: Mumbai
Date: 19th May, 2026

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations 2015)

To
The Members,
Royal Arc Electrodes Limited
72 B, Bombay Talkies Compound,
S.V. Road, Malad West, Mumbai – 400064

I have examined the relevant registers, records, forms, returns and disclosure received from the Directors of **Royal Arc Electrodes Limited** having CIN L31100MH1996PLC096296 and having registered office at 72 B, Bombay Talkies Compound, S.V. Road, Malad West, Mumbai – 400064 (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para C sub Clause (10) (i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

In my opinion and to the best of my knowledge and according to the verifications including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanation furnished to us by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified for the financial year ended 31st March 2026 from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or such other statutory Authority.

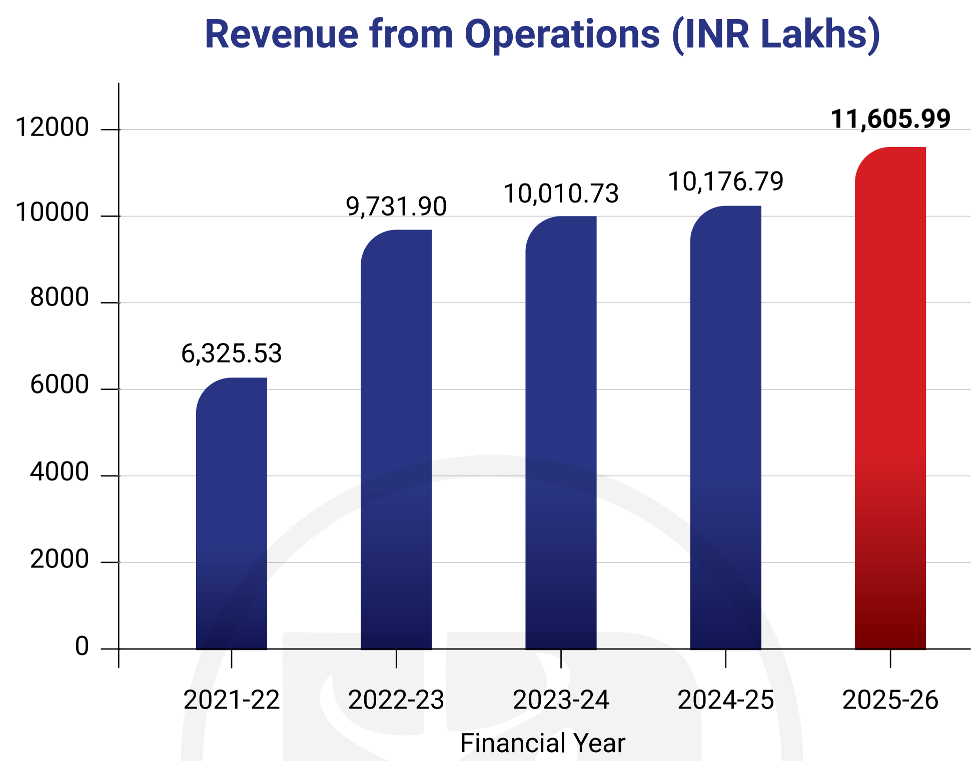
SN	Name of the Director	DIN	Date of appointment in the Company
1.	Bipin Shantilal Sanghvi	00462839	15/01/1996
2.	Hardik Bipin Sanghvi	00617415	01/12/2002
3.	Swagat Bipin Sanghvi	01695341	16/08/2010
4.	Jayna B Mehta	10455416	16/01/2024
5.	Kunal Kamlesh Turakhia	10455417	16/01/2024
6.	Rahul Rajan Vattamparambil	10455717	16/01/2024

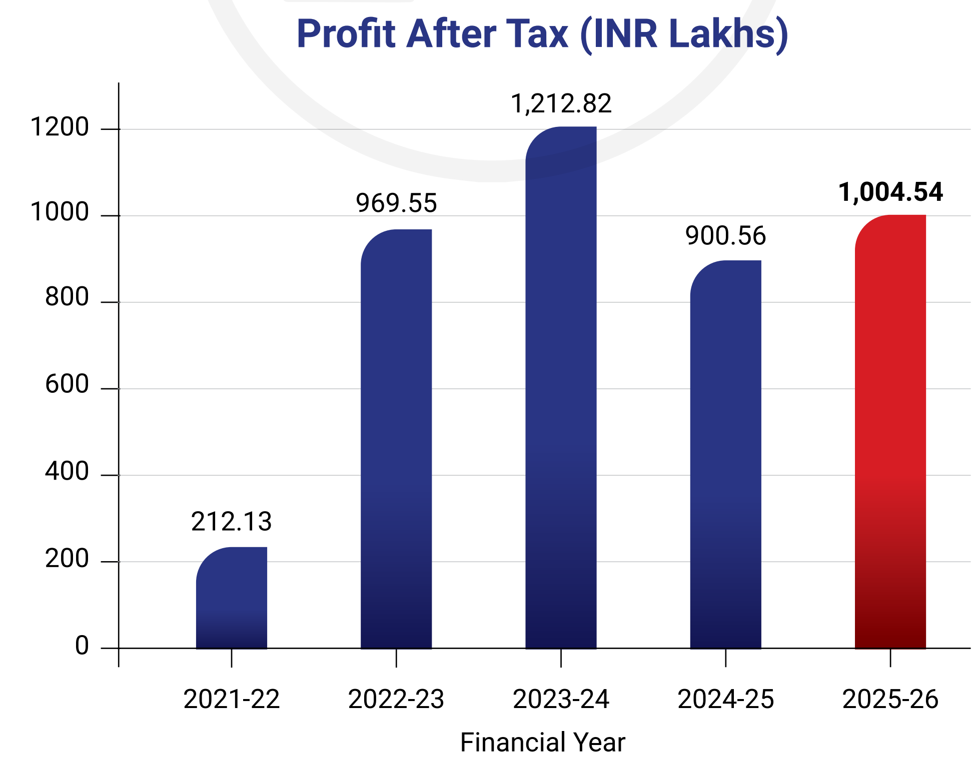
Ensuring the eligibility for the appointment or continuity of every Director on the Board of above referred Company is the responsibility of the management of the Company. My responsibility is to express an opinion as stated above based on the verification. This certificate is neither an assurance as to the future viability of the Company or effectiveness with which the management has conducted the affairs of the Company.

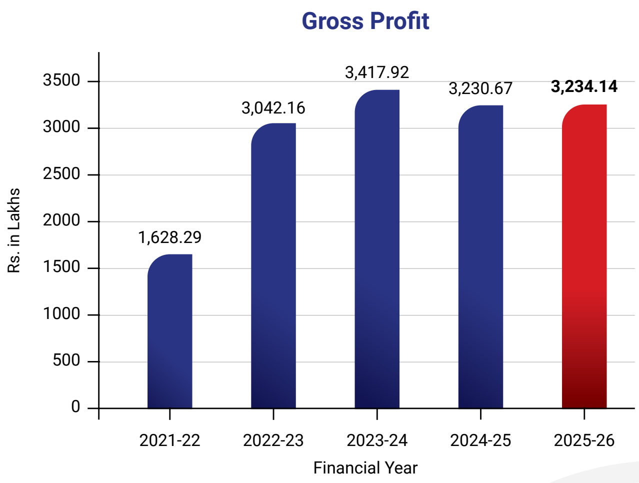
Riddhi Krunal Shah
Practicing Company Secretary
COP: 17035 / PR No.:2037/2022
UDIN: A020168H000408875

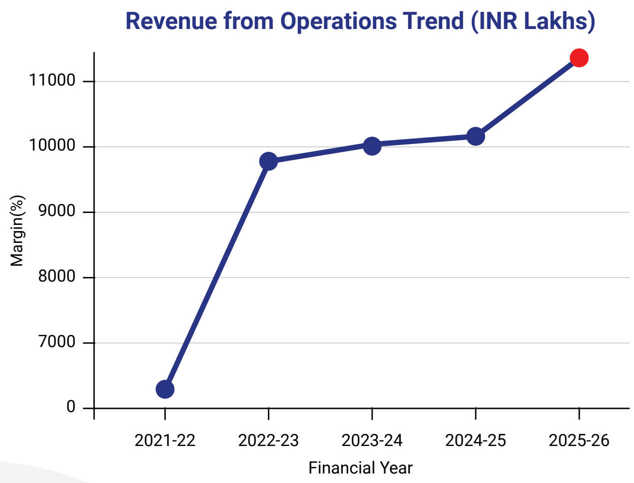
Place: Mumbai
Date: May 19, 2026

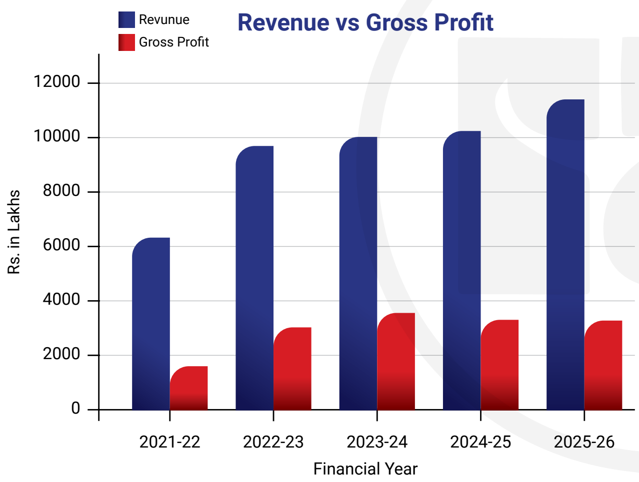
Financial Highlights

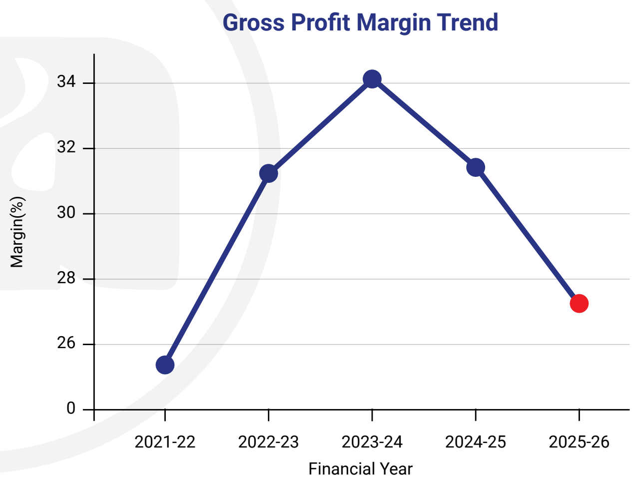


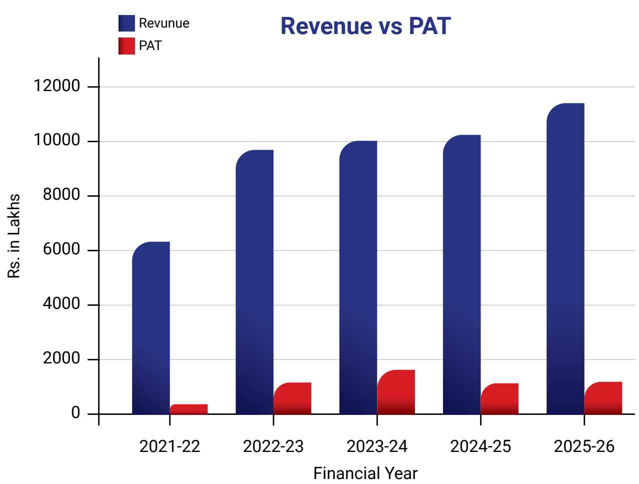


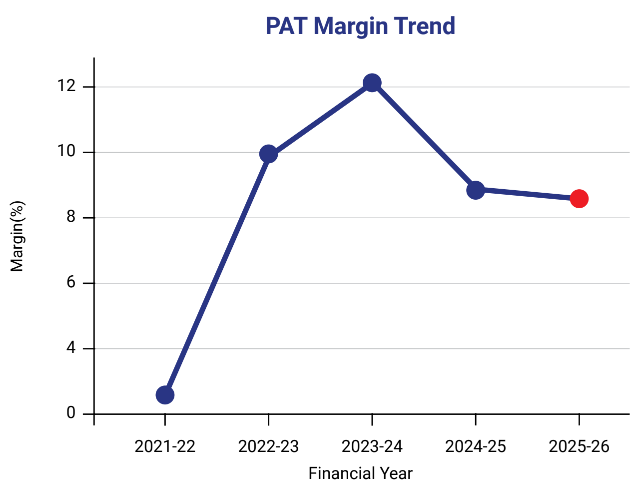

Gross Profit
Rs. in Lakhs
3500
3000
2500
2000
1500
1000
500
0
1,628.29
3,042.16
3,417.92
3,230.67
3,234.14
2021-22
2022-23
2023-24
2024-25
2025-26
Financial Year


Revenue from Operations Trend (INR Lakhs)
Margin(%)
11000
10000
9000
8000
7000
0
2021-22
2022-23
2023-24
2024-25
2025-26
Financial Year


Revunue
Gross Profit
Revenue vs Gross Profit
Rs. in Lakhs
12000
10000
8000
6000
4000
2000
0
2021-22
2022-23
2023-24
2024-25
2025-26
Financial Year


Gross Profit Margin Trend
Margin(%)
34
32
30
28
26
0
2021-22
2022-23
2023-24
2024-25
2025-26
Financial Year


Revunue
PAT
Revenue vs PAT
Rs. in Lakhs
12000
10000
8000
6000
4000
2000
0
2021-22
2022-23
2023-24
2024-25
2025-26
Financial Year


PAT Margin Trend
Margin(%)
12
10
8
6
4
0
2021-22
2022-23
2023-24
2024-25
2025-26
Financial Year

Independent Auditors Report

To,
THE MEMBERS,
ROYAL ARC ELECTRODES LIMITED

Opinion

We have audited the accompanying financial statements of ROYAL ARC ELECTRODES LIMITED, (hereinafter referred to as the 'Company'), (CIN: L31100MH1996PLC096296) which comprises of the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

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 required by the Companies Act, 2013 ("the Act") in the manner so required and gives 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, 2021, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the statment of Profit and loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's 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 said financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the examination of the books of accounts and explanations provided to us, we have determined that there are no key audit matters to report for the current period that requires disclosure in our report.

Information other than the Financial Statement and Auditor's 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 Management Discussion and Analysis and Board of Director's report including Annexure to the 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.

The Board of Director's Report including Annexure thereto, are expected to be made available to us. Any material misstatement thereon pertaining to it, will be reported 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 financial statements, or our knowledge obtained during the course of 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 preparation of Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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, read with the Companies (Accounting Standards) Rules, 2021, as amended. 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 judgement and maintain professional skepticism 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 financial 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 the management;

- Conclude on the appropriateness of management and Board of Director'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 ability of the Company 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 of the company 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 the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid Financial Statements;

    B. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Financial Statements have been kept so far as it appears from our examination of those books;

    C. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Financial Statements;

    D. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with of the Companies (Accounting Standards) Rules, 2021;

    E. On the basis of the written representations received from the directors of the Company as on 31st March, 2026 taken on record by the Management and Board of Directors, none of the directors of the Company is disqualified as on 31st March, 2026 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"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal controls over the financial reporting.

    G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

    H. With respect to the other matters to be included in the Auditor's 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, 2026;

        ii) 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 Investors Education and Protection Fund by the Company.

iv) a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), 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, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate)have been received by the Company from any person(s) or entity(ies), including foreign entities ("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; and

c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the presentation 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 declared and paid dividend during the year in compliance with the provisions of Section 123 of the Companies Act, 2013. Based on our examination of the relevant records and information provided to us, we report that the dividend declared and paid by the Company is in accordance with the applicable provisions of the Act.

vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, 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 financial year ended March 31, 2026.

For, J.H. Gandhi & Co.
Chartered Accountants
FRN: 0116513W

CA Jasmit H Gandhi
Proprietor
Membership Number: 044844
UDIN: 26044844AECDAX9740

Place: Mumbai
Date: 19-05-2026

Annexure A to the Independent Auditor's Report

(Refer to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Royal Arc Electrodes Limited for the year ended March 31, 2026.)

As required by the Companies (Auditor's Report) Order 2020 (the 'Order'), issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report on the matters specified in paragraph 3 and 4 of the said Order, that: -

Para 3 (i) According to the information and explanation given to us and on the basis of our examination of the records of the company, in respect of its property, plant & equipment and intangible assets:

(a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(B) The company is maintaining proper records showing full particulars of intangible assets.

(b) The Property, Plant & Equipment have been physically verified during the year by the management at reasonable intervals.

(c) 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 the 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.

(d) According to 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, Gujrat – 396105	Certified list and photocopies of documents

(e) The company has not revalued its Property, Plant & Equipment or Intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable.

(f) According to the information and explanations given to us, no proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable.

Para 3 (ii)

(a) The inventory has been physically verified by the Management at regular intervals during the year. In our opinion the frequency of verification, coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventories were noticed on such physical verification of inventories performed as applicable, when compared with books of account.

(b) The Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, from banks during the year on the basis of security of current assets. Based on our examination of the books of account and the monthly statements of current assets submitted by the Company to the bank, we report that such statements are in agreement with the books of account.

Para 3 (iii)

In our opinion and according to the information and explanations given to us and the records produced, the company has not made investments in, provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLPs, or any other parties during the year, hence reporting under paragraph 3(iii)(a) to (f) of the Order are not applicable to the company.

Para 3 (iv)

In our opinion, according the information and explanations given to us, and as per the records examined by us, the company has not given any loans, not made any investments and has not provided any guarantees and securities within the meaning of Sections 185 and 186 of the Companies Act, 2013.

Para 3 (v)

According to the information and explanations given to us and based on examination of records, the company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act,2013 and the rules made thereunder. Hence reporting under clause 3(v) of the Order is not applicable.

Para 3 (vi)

We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

Para 3 (vii) According to the information and explanation given to us, in respect of statutory dues:

(a) The company is regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee's State Insurance, Income Tax, Cess and other statutory dues applicable to it with the appropriate authorities during the year. According to 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 end of the period ended 31, March 2026, for a period of more than six months from the date they become payable.

(b) According to records of the company, there are no statutory dues which have not been deposited on account of any dispute as on 31 March, 2026.

Para 3 (viii)

The company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessment under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under Clause 3(viii) of the Order is not applicable to the company.

Para 3 (ix)

According to the information and explanations given to us and the records verified, in our opinion:

(a) The Company has not defaulted in any repayment of dues to any financial institution or bank or debenture holders. Hence reporting under clause (ix)(a) is not applicable.

(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or any government authority. Hence reporting under clause (ix)(b) is not applicable.

(c) The Company does not have and has not obtained any term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) There are no funds raised on short term basis which have been utilised for long term purposes by the company.

(e) The Company does not have any subsidiary, associates, or joint ventures. Accordingly, reporting under clause (ix)(e) is not applicable.

(f) The Company does not hold any securities in subsidiaries, joint ventures, or associate companies. Hence reporting under clause (ix)(f) of the Order is not applicable.

Para 3 (x)

(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.

Para 3 (xi)

(a) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/employees have been noticed or reported during the course of our audit.

(b) To the best of our knowledge and information available with us, a report under section 143(12) of the Act, in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the company.

(c) As per explanation given by the management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

Para 3 (xii)

The company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report of clause 3(xii) of the Order are not applicable to the company and hence not reported on.

Para 3 (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 177 and 188 of the Act, where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.

Para 3 (xiv)

(a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company, for the period under audit.

Para 3 (xv)

The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year. Accordingly, reporting under clause 3(xv) of the Order is not applicable.

Para 3 (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.

Further, in our opinion and based on the information and explanations provided by the management, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

Para 3 (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 the financial year. Hence reporting under paragraph 3(xvii) of the Order is not applicable to the company.

Para 3 (xviii)

There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.

Para 3 (xix)

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's 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 indicating that the Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year.

Para 3 (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.

Para 3 (xxi)

The reporting under para 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company, accordingly no comment has been included in respect of clause (xxi) of the Order under this report.

For, J.H. Gandhi & Co.
Chartered Accountants
FRN: 0116513W

CA Jasmit H Gandhi
Proprietor
Membership Number: 044844
UDIN: 26044844AECDAX9740

Place: Mumbai
Date: 19-05-2026

Annexure B to the Independent Auditor's Report

of even date to the members of Royal Arc Electrodes Limited

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013).

We have audited the internal financial controls over financial reporting of **Royal Arc Electrodes Limited** ("the Company") as on 31st March, 2026 in conjunction with our audit of the financial statements of the company for the Year ended on that date.

Management 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 specified 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 aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the financial controls system over financial reporting period 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 the internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of the 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 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 authorization of the management and directors of the company;

(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, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2026, 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).

For, J.H. Gandhi & Co.
Chartered Accountants
FRN: 0116513W

CA Jasmit H Gandhi
Proprietor
Membership Number: 044844
UDIN: 26044844AECDAX9740

Place: Mumbai
Date: 19-05-2026

Balance Sheet

as at March 31, 2026

(Rs. in Lakhs)

Particulars			Note No.	As at 31 March 2026	As at 31 March 2025
I	EQUITY AND LIABILITIES				
(1)	Shareholders' funds				
	(a)	Share Capital	2	1,110.02	1,110.02
	(b)	Reserves and Surplus	3	7,016.58	6,067.54
				8,126.60	**7,177.56**
(2)	Non-current liabilities				
	(a)	Long-term Borrowing	4	-	-
	(b)	Deferred Tax Liabilities (net)	5	40.66	58.49
	(c)	Other Long-term Liabilities	6	23.71	24.91
	(d)	Long-term Provisions	7	69.40	59.27
				133.77	**142.67**
(3)	Current liabilities				
	(a)	Short-term Borrowings	8	20.38	81.48
	(b)	Trade Payables	9		
		- Dues to MSME		117.60	235.18
		- Dues to Others		35.14	242.69
	(c)	Other Current Liabilities	10	176.20	106.92
	(d)	Short-term Provisions	7	513.43	98.78
				862.75	**765.05**
Total Equity and Liabilities				**9,123.12**	**8,085.28**
II	ASSETS				
(1)	Non-current assets				
	(a)	Property, Plant and Equipment and Intangible Assets	11		
		(i) Property, Plant and Equipment		2,450.72	1,971.73
		(ii) Intangible Assets		0.38	0.38
		(iii) Capital Work in Progress		543.14	232.85
				2,994.24	2,204.96
	(b)	Non-Current Investments	12	188.30	147.69
	(c)	Other Non-Current Assets	13	75.74	77.24
				3,258.28	**2,429.89**
(2)	Current Assets				
	(a)	Inventories	14	1,318.26	1,428.18
	(b)	Trade Receivables	15	2,575.00	2,093.31

(Rs. in Lakhs)

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
(c) Cash and Bank Balances	16	1,449.01	1,930.32
(d) Short-term Loans and Advances	17	503.62	184.45
(e) Other Current Assets	18	18.95	19.13
		5,864.84	**5,655.39**
Total Assets		**9,123.12**	**8,085.28**
Significant accounting policies	1		

Significant accounting policies and notes attached thereto form an integral part of the financial statements.

As per our report of even date attached

For, J. H. Gandhi & Co
Chartered Accountants
FRN: 0116513W

CA Jasmit H. Gandhi
Proprietor
M. No.: 044844

Place: Mumbai
Date : 19-05-2026

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

Bipin Sanghvi
Managing Director
DIN No.: 00462839

Swagat Sanghvi
Whole-time director
DIN No.: 01695341

Hardik Sanghvi
Chief Financial Officer

Krunal Shah
Company Secretary

Place : Mumbai
Date : 19-05-2026

Statement of Profit and Loss

for the year ended March 31, 2026

(Rs. in Lakhs)

	Particulars	Note No.	For the year ended March , 31 2026	For the year ended March , 31 2025
I	**Income**			
(1)	Revenue from Operations	19	11,606.00	10,176.79
(2)	Other Income	20	194.35	57.69
	Total Income		**11,800.35**	**10,234.48**
II	**Expenses**			
(1)	Cost of Materials Consumed	21	8,216.22	7,365.32
(2)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	155.63	(419.20)
(3)	Employee Benefit Expense	23	781.48	721.79
(4)	Finance Cost	24	23.82	21.50
(5)	Depreciation and Amortization Expense	25	352.32	295.10
(6)	Other Expenses	26	909.08	996.46
	Total Expenses		**10,438.55**	**8,980.97**
III	**Profit / (Loss) Before exceptional and extraordinary items and tax (I - II)**		**1,361.80**	**1,253.51**
IV	Exceptional and Extra-ordinary Items		-	49.76
V	**Profit / (Loss) before tax (III - IV)**		**1,361.80**	**1,203.75**
VI	**Tax expense:**			
	(a) Current Tax Expense for current year		368.93	323.84
	(b) Deferred Tax		(17.83)	(16.05)
	(c) Prior Period Tax Expense		6.16	(4.60)
VII	**Profit (Loss) For The Period (V - VI)**		**1,004.54**	**900.56**
VIII	Earnings per Share	27		
	Basic		9.05	9.49
	Diluted		9.05	9.49
	Significant accounting policies	1		

Significant accounting policies and notes attached thereto form an integral part of the financial statements.

As per our report of even date attached

For, J. H. Gandhi & Co
Chartered Accountants
FRN: 0116513W

CA Jasmit H. Gandhi
Proprietor
M. No.: 044844

Place: Mumbai
Date : 19-05-2026

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

Bipin Sanghvi
Managing Director
DIN No.: 00462839

Swagat Sanghvi
Whole-time director
DIN No.: 01695341

Hardik Sanghvi
Chief Financial Officer

Krunal Shah
Company Secretary

Place: Mumbai
Date : 19-05-2026

Cash Flow Statement

for the year ended March 31, 2026

(Rs. in Lakhs)

	Particulars	For the year ended March , 31 2026	For the year ended March , 31 2025
[A]	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before tax as per the Statement of Profit and Loss	1,361.80	1,203.76
	Adjustments for non-operating income and expenses:		
	(1) Non-operating Expenses:		
	Depreciation / Amortisation Expenses	352.32	295.10
	Finance Cost	23.82	21.50
	(2) Non-operating Income:		
	Rent Income	(2.20)	(1.10)
	Profit on sale of asset	-	(2.40)
	Dividend income	(0.17)	(0.17)
	Gain on sale of shares	-	(15.85)
	Interest Income	(87.35)	(16.68)
	Operating profit before working capital changes	1,648.23	1,484.16
	Adjustments for changes in working capital:		
	Increase/(Decrease) in Trade Payables	(325.14)	(60.39)
	Increase/(Decrease) in Other Current Liabilities	69.28	9.47
	Increase/(Decrease) in Short-Term Provisions	414.66	(25.86)
	Increase/(Decrease) in Long-Term Provisions	10.13	14.83
	(Increase)/Decrease in Inventories	109.91	(523.96)
	(Increase)/Decrease in Trade Receivables	(481.69)	(25.59)
	(Increase)/Decrease in Short-term Loans & Advances	(319.17)	(61.62)
	(Increase)/Decrease in Other Current Assets	0.18	(3.15)
	Operating Gain after working capital changes	1,126.39	807.87
	Other Adjustments:		
	(Increase)/Decrease in Other non-current assets	1.49	(5.60)
	Cash generated from operating activities before taxes	1,127.88	802.27
	Less: Direct Taxes Paid (Net of Refunds)	375.09	319.21
	Net cash generated from (utilised in) operating activities [A]	**752.80**	**483.06**
[B]	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	(Purchase) / Sale of assets	(1,141.60)	(776.03)
	(Purchase) / Sale of Investments	(40.61)	74.88
	Profit / (loss) on sale of asset/Investment	-	18.25
	Interest received	87.35	16.68
	Dividend income	0.17	0.17
	Rent received	2.20	1.10
	Net cash generated from (utilised in) Investing activities [B]	**(1,092.49)**	**(664.95)**

(Rs. in Lakhs)

Particulars	For the year ended March , 31 2026	For the year ended March , 31 2025
[C] CASH FLOW FROM FINANCING ACTIVITIES:		
Net Proceeds From Fresh Issue of Shares	-	2,046.11
Increase/(Repayment) in Long-term borrowing	-	-
Increase/(Decrease) in Other Long term liabilities	(1.20)	(1.75)
Increase/(Decrease) in Short-term Borrowings	(61.10)	(6.31)
Finance Cost	(23.82)	(21.50)
Dividend Paid	(55.50)	-
Net cash generated from (utilised in) Investing activities [C]	**(141.62)**	**2,016.55**
Net Increase/ (Decrease) in Cash and Cash Equivalents [A + B + C]	**(481.31)**	**1,834.66**
Cash & Cash Equivalents at the beginning of the year	**1,930.32**	**95.66**
Cash & Cash Equivalents at the end of the year	**1,449.01**	**1,930.32**

Notes to the Cash Flow Statement:

1 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).

2 Previous year figures have been regrouped wherever necessary.

3 Cash and cash equivalents comprises of below:

Cash in Hand	4.55	11.48
Balance with Scheduled Banks		
In Current account	287.85	189.36
On deposit accounts (with original maturity of 3 months or less)	907.24	950.00
On Bank Overdraft	244.70	31.78
Other bank balances		
Fixed Deposit held as margin money	4.65	3.71
Bank deposits with original maturity for more than 3 months but less than 12 months from reporting date.	-	744.00
Closing Cash and Cash Equivalents	**1,449.01**	**1,930.32**

Significant accounting policies and notes attached thereto form an integral part of the financial statements.

As per our report of even date attached

For, J. H. Gandhi & Co
Chartered Accountants
FRN: 0116513W

CA Jasmit H. Gandhi
Proprietor
M. No.: 044844

Place: Mumbai
Date : 19-05-2026

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

Bipin Sanghvi
Managing Director
DIN No.: 00462839

Swagat Sanghvi
Whole-time director
DIN No.: 01695341

Hardik Sanghvi
Chief Financial Officer

Krunal Shah
Company Secretary

Place: Mumbai
Date : 19-05-2026

Notes

to the Financial Statements for the year ended 31st March 2026

Note 1

Nature of Operation

Royal Arc Electrodes Limited (CIN: L31100MH1996PLC096296) is a public limited company domiciled in India, incorporated under the provisions of the Companies Act, 1956. The Company was incorporated on 15th January, 1996 and is listed on the National Stock Exchange Emerge Platform (NSE- Emerge). The Company is engaged primarily in the manufacture, trading and export of welding electrodes and allied welding products.

Statement of Accounting Policies

1. **Basis of Preparation**

   The financial statements have been prepared in conformity with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Accounting Standards) Rules, 2021 and the relevant provisions of the Companies Act, 2013 (to the extent notified). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

   The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

2. **Use of Estimates**

   The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. **Revenue Recognition**

   Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

   Sale of Goods

   Revenue from sale of goods is recognised when the goods are dispatched to the customers and the invoice is prepared, net of returns and trade discounts. Revenue from export sales is recognised on the basis of the date of bill of lading / airway bill.

   Other Income

   Other income is recognised on an accrual basis when there is reasonable certainty of its ultimate collection. Where the receipt of income is uncertain, it is accounted for on receipt basis.

4. **Property, Plant and Equipment (Fixed Assets)**

   All ***tangible fixed assets*** are stated at historical cost of acquisition or construction (less input tax credit received / receivable), including all incidental costs directly attributable to bringing the asset to the location and condition necessary for its intended use, less accumulated depreciation and impairment losses, if any. Cost includes purchase price, non-refundable duties and taxes, and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

   Properties in the course of construction for production, supply or administrative purposes are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets commences when the assets are ready for their intended use.

Spare parts are treated as capital assets when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gains or losses on their disposal, determined by comparing net sales proceeds with carrying amount, are recognised in the Statement of Profit and Loss.

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

De-Recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on de-recognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss in the year of de-recognition.

Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation on property, plant and equipment is provided on the Straight-Line Method (SLM) so as to write off the cost of the assets over their useful lives as prescribed in Schedule II to the Companies Act, 2013, and is generally recognised in the Statement of Profit and Loss. Freehold land is not depreciated. Leasehold land and improvements are amortised over the tenure of the lease agreement.

In cases where the cost of part of an asset is significant to the total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, the useful life of that significant part is determined separately. The estimated useful lives of the tangible assets are as follows:

Asset Group	Useful Life
Buildings	Factory Building – 30 years, Others – 60 years
Plant and Equipment	15 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Computer Equipments	Server and Equipments – 6 years, Others – 3 years
Electrical Installation	10 years

The depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation on additions / disposals is provided on a pro-rata basis, i.e., from (up to) the date on which the asset is ready for use (disposed of).

Capital Work-in-Progress

Capital work-in-progress is carried at cost, comprising direct costs, related incidental expenses and attributable interest / borrowing costs. Pre-operative expenses including trial run expenses (net of revenue) are capitalised as part of the cost of the qualifying asset. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under 'Long-Term Loans and Advances'.

5. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use, net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The amortisation of intangible assets is allocated on a systematic basis over the best estimate of their useful life. The estimated useful lives of the intangible assets are as follows:

Asset Group	Useful Life
Licences for Sale of Goods in Foreign Countries	5 years
Software / ERP Systems	5 years

6. Impairment

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price 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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

7. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term (non-current) investments.

Current investments are carried at the lower of cost and fair value, determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of such investments.

8. Inventory Valuation

Inventories are measured at the lower of cost and net realisable value. Cost of inventories is determined using the First In First Out (FIFO) basis and comprises the cost of conversion and other costs incurred in bringing the inventories to their present location and condition, after providing for obsolescence and other losses as considered necessary.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. Items of inventory are valued as follows:

	Category	Basis of Valuation
(a)	Work-in-Progress	At cost, determined on First In First Out (FIFO) basis.
(b)	Finished Goods	Lower of cost (determined on FIFO basis) and net realisable value.
(c)	Raw Materials	Lower of cost (determined on FIFO basis) and net realisable value.
(d)	Stores & Spares	At cost.
(e)	Scrap	At net realisable value.

9. Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency prevailing at the date of the transaction.

Conversion

Monetary items denominated in foreign currencies at the balance sheet date are reported using the closing exchange rate as at the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise, except in cases where they relate to the acquisition of fixed assets, in which case they are adjusted to the carrying cost of the respective fixed assets.

10. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets – being assets that necessarily take a substantial period of time to get ready for their intended use or sale – are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Pre-operative expenses including borrowing costs incurred during the construction / commissioning period are capitalised as part of the cost of the qualifying asset.

All other borrowing costs are charged to the Statement of Profit and Loss over the tenure of the borrowing in the period in which they are incurred.

11. Taxation

Tax expense comprises current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961 enacted in India and the tax rates applicable for the relevant assessment year.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

12. Employee Benefits

Short-term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, leave salary and allowances are recognised as actual amounts due in the period in which the employee renders the related services.

Defined Contribution Plan – Provident Fund

Retirement benefits in the form of Provident Fund are a defined contribution scheme. Contributions are made as per the provisions of the Provident Fund Act, 1952 and are charged to the Statement of Profit and Loss in the year when the contributions to the respective fund are due. The Company has no other obligations other than the contribution payable to the respective fund.

Defined Benefit Plan – Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on post-employment at 15 days' salary (last drawn salary) for each completed year of service, in accordance with the Payment of Gratuity Act, 1972. The cost of providing this benefit is determined using the Projected Unit Credit method, with actuarial valuations being carried out by an independent actuary at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of the scheme assets. The contribution towards gratuity liability is funded to an approved gratuity fund maintained with Life Insurance Corporation of India (LIC) or other approved insurance companies.

Long-term Employee Benefits – Leave Encashment

Encashment of accumulated leave is accrued in the year of retirement / separation of an employee on the basis of the actual liability as determined in accordance with the rules of the Company. Accordingly, the leave encashment liability is not provided on the basis of actuarial valuation but is accounted for as and when the obligation arises. The scheme is not funded.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimates.

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. A contingent liability is disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

14. Government Grants and Subsidies

Government grants and subsidies are recognised only when there is reasonable assurance that the conditions attached to them will be complied with and the grants / subsidies will be received.

Government grants / subsidies related to specific fixed assets are disclosed as a deduction from the gross value of the concerned assets. Grants and subsidies related to revenue are credited to the Statement of Profit and Loss on receipt basis. Grants or subsidies in the nature of promoters' contribution, i.e., where no repayment is ordinarily expected, are treated as capital reserve.

15. Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the Cash Flow Statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

16. Cash Flow Statement

Cash flows are reported using the Indirect Method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated and reported separately.

17. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

18. Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution of dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Note 2

Share Capital

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	(Rs. in '00000)	No. of Shares	(Rs. in '00000)
Authorised (Note 1)				
Equity Shares of INR 10/- each, with voting rights	18,000,000.00	1,800.00	18,000,000.00	1,800.00
Issued, Subscribed and Fully Paid-Up		-		
Equity Shares of INR 10/- each, with voting rights	11,100,200.00	1,110.02	11,100,200.00	1,110.02
	11,100,200.00	**1,110.02**	**11,100,200.00**	**1,110.02**

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 2026		As at 31 March 2025	
	No. of Shares	(Rs. in '00000)	No. of Shares	(Rs. in '00000)
Equity Shares				
Opening Balance	11,100,200.00	1,110.02	9,300,200.00	930.02
Add: Fresh issue during the year (#)	-	-	1,800,000.00	180.00
At the end of the year	**11,100,200.00**	**1,110.02**	**11,100,200.00**	**1,110.02**

1# 'During the year ended 31 March 2025, the Company successfully completed its Initial Public Offer ("IPO") comprising the issuance of 30,00,000 equity shares of face value ₹10 each at an issue price of ₹120 per equity share (including a share premium of ₹110 per equity share), aggregating to ₹36,00,00,000. The IPO consisted of a fresh issue of 18,00,000 equity shares aggregating to ₹21,60,00,000 and an offer for sale of 12,00,000 equity shares aggregating to ₹14,40,00,000.

b. Rights, preferences and restrictions attached to the equity shares issued:

The Company has only one class of equity shares having a face value of ₹10 each. Each equity shareholder is entitled to one vote per share and has a right to receive dividends as declared by the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the equity shareholders shall be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares				
Bipin Sanghvi	721,717	6.50%	721,717	6.50%
Hardik Sanghvi	2,349,750	21.17%	2,349,750	21.17%
Ami H. Sanghvi	518,750	4.67%	518,750	4.67%
Swagat Sanghvi	2,349,750	21.17%	2,349,750	21.17%
Pooja S. Sanghvi	518,750	4.67%	518,750	4.67%
Tarulata Bipin Sanghvi	1,640,461	14.78%	1,640,461	14.78%

d. **Details of Promoter's Shareholding**

Promoter Name	As at 31 March 2026		As at 31 March 2025		% Change in the year
	No. of Shares	% holding	No. of Shares	% holding	
Bipin Sanghvi	721,717	6.50%	721,717	6.50%	0.00%
Hardik Sanghvi	2,349,750	21.17%	2,349,750	21.17%	0.00%
Swagat Sanghvi	2,349,750	21.17%	2,349,750	21.17%	0.00%
Tarulata Bipin Sanghvi	1,640,461	14.78%	1,640,461	14.78%	0.00%

Note 3

Reserves and Surplus

(Rs. in Lakhs)

Particulars	Securties Premium	Surplus in Statement of Profit and Loss	Total
Balance as at 1 April 2024	**-**	**3,300.85**	**3,300.85**
Profit for the year	-	900.56	900.56
Securities premium on issue of shares	1,866.11	-	1,866.11
Balance as at 31 March 2025	**1,866.11**	**4,201.42**	**6,067.53**
Profit for the year	-	1,004.54	1,004.54
Dividend paid during the year	-	(55.50)	(55.50)
Balance as at 31 March 2026	**1,866.11**	**5,150.46**	**7,016.58**

Note 4

Long-term borrowing

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Secured term loans from Banks	-	-
Total	**-**	**-**

Note 5

Deferred Tax Liabilities (Net)

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Deferred tax asset		
Related to - Employee benefits (Gratuity and Leave Encashment)	26.61	23.80
Related to - Bonus provision allowable on payment basis under section 43B	3.89	2.97
Gross deferred tax asset	30.50	26.78
Deferred tax liability		
Related to - Difference between book and tax written down value of fixed assets	71.16	85.27
Gross deferred tax liability	71.16	85.27
Net deferred tax liability	**40.66**	**58.49**

Note 6

Other Long-term Liabilities

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Trade and security deposits - Other Long-term Liabilities	23.71	24.91
Total	**23.71**	**24.91**

Note 7

Provision

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Long-term provision		
Provision for employee benefits		
Gratuity - Provision	63.48	54.36
Leave Encashment - Provision	5.92	4.92
	69.40	**59.27**
Short-term provision		
Provision for employee benefits		
Gratuity	31.32	34.36
Leave Encashment - Provision	2.32	1.50
Provision for income tax (Net of advance tax and TDS)	31.41	18.30
Provision for Corporate Social Responsibility	28.05	21.59
Other provisions	420.34	23.03
	513.43	**98.78**
Total	**582.84**	**158.05**

Note 8

Short-term borrowings

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Loans Repayble on Demand		
From Banks – Secured	-	-
From Banks – Unsecured	-	0.38
From Other Parties – Unsecured	20.38	81.10
Current maturities of long-term borrowings	-	-
Total	**20.38**	**81.48**

Nature of Security and Terms of Repayment

a) Working capital facilities from banks are secured by:

i. Exclusive charge on industrial property situated at Plot No. 6, Survey No. 91/Paiki-4, Village Zaroli, Bhilad Road, Valsad, Gujarat – 396105;

ii. Exclusive charge on current assets and movable fixed assets of the Company; and

iii. Personal guarantees of Mr. Bipin Sanghvi, Mr. Hardik Sanghvi and Mr. Swagat Sanghvi aggregating to Rs. 1,300 lakhs.

The above working capital facilities were unutilised as at 31 March 2026.

b) Vehicle term loan from bank carried interest at 7.95% per annum and was repayable in 36 equated monthly instalments. The said loan was fully repaid during the previous year ended 31 March 2025.

c) There has been no default in repayment of principal or interest in respect of borrowings during the year.

Note 9

Trade Payables

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Due to Micro, Small and Medium Enterprises	117.60	235.18
Due to Others	35.14	242.69
Goods In Transit Payables	-	
Total	**152.74**	**477.87**

Trade Payable Ageing Schedule as at 31st March 2026

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	
Undisputed - MSME	117.52	0.07			117.60
Undisputed - Others	31.34			3.81	35.14
Disputed Dues-MSME	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-
	148.86	**0.07**	**-**	**3.81**	**152.74**

Trade Payable Ageing Schedule as at 31 March 2025

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	
Undisputed - MSME	235.18	-	-	-	235.18
Undisputed - Others	238.87	0.01	-	3.81	242.69
Disputed Dues-MSME	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-
	474.05	**0.01**	**-**	**3.81**	**477.87**

Note 10

Other current liabilities

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Advance from customers	92.57	9.97
Statutory remittances	23.24	36.00
Other current liabilities	60.39	60.95
Total	**176.20**	**106.92**

Note 11

Property, Plant and Equipment and Intangible Assets

(Rs. in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance As At April 1, 2025	Additions during the year	Deletions during the year	Balance As At March, 31 2026	Balance As At April 1, 2025	Depreciation for the year	Elimination on Disposal of Assets	Balance As At March, 31 2026	Balance As At March, 31 2026	Balance As At March 31, 2025
(A) Property, Plant and Equipment										
Computers & Data Processing Units	12.34	2.73		15.06	9.49	1.86	-	11.36	3.71	2.84
Office Equipment	53.44	5.95		59.40	41.27	8.43	-	49.70	9.70	12.18
Electrical Installations & Equipment	108.31	4.10		112.41	88.57	3.00		91.57	20.84	19.74
Furniture & Fittings	65.07	27.10		92.17	20.72	14.20	-	34.91	57.26	44.35
Motor Vehicles	111.88	32.31		144.18	45.79	27.36	-	73.16	71.03	66.08
Building	924.72	26.46		951.18	358.09	53.40	-	411.49	539.69	566.63
Plant & Machinery	2,414.64	723.62		3,138.26	1,226.19	242.15	-	1,468.34	1,669.92	1,188.45
Tools	52.01	8.88		60.89	45.29	1.59	-	46.88	14.01	6.73
Lab Equipment	57.33	-		57.33	56.22	0.16	-	56.37	0.96	1.11
Land	63.61	-		63.61	-	-	-	-	63.61	63.61
Total (A)	**3,863.35**	**831.14**	**-**	**4,694.49**	**1,891.62**	**352.14**	**-**	**2,243.77**	**2,450.72**	**1,971.73**
Previous Year	**3,228.92**	**641.54**	**(7.11)**	**3,863.35**	**1,603.92**	**294.83**	**(7.11)**	**1,891.64**	**1,971.73**	**1,625.00**
(B) Intangible Assets										
Computers & Data Processing Units (Intangibles)	2.28	0.17	-	2.45	1.90	0.18	-	2.07	0.38	0.38
Total (B)	**2.28**	**0.17**	**-**	**2.45**	**1.90**	**0.18**	**-**	**2.07**	**0.38**	**0.38**
Previous Year	**2.08**	**0.20**	**-**	**2.28**	**1.63**	**0.27**	**-**	**1.90**	**0.38**	**0.45**
(C) Capital Work in Progress	**232.85**	**577.13**	**(266.84)**	**543.14**	**-**	**-**	**-**	**-**	**543.14**	**232.85**
Total (C)	**232.85**	**577.13**	**-266.84**	**543.14**	**-**	**-**	**-**	**-**	**543.14**	**232.85**
Previous Year	**98.56**	**289.29**	**-155.00**	**232.85**	**-**	**-**	**-**	**-**	**232.85**	**98.56**
Grand Total (A+B+C)	**4,098.48**	**1,408.43**	**(266.84)**	**5,240.07**	**1,893.52**	**352.32**	**-**	**2,245.84**	**2,994.24**	**2,204.96**
Previous Year Total	**3,329.56**	**931.03**	**(162.11)**	**4,098.48**	**1,605.55**	**295.10**	**(7.11)**	**1,893.54**	**2,204.96**	**1,724.01**

Note 12

Non-current investments

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Non-Trade Investments (At Cost unless otherwise stated)		
Investment in Property	145.66	145.66
Unquoted investments	-	
- 4000 Equity Shares of SVC Co. Op. Bank	1.00	1.00
Face Value of Rs.25 each, fully paid-up	-	
- 10323 Equity Shares of BMC Co. Op. Bank	1.03	1.03
Face Value of Rs.10 each, fully paid-up	-	
Quoted investments	-	
- 180 Equity Shares of Cochin Shipyard Ltd.	3.97	-
Face Value of Rs.2 each, fully paid-up	-	
Market Value: Rs 2.15 lakhs	-	
1000 Equity Shares of Larsen & Toubro Ltd	-	
Face Value of Rs.10 each, fully paid-up	-	
Market Value: Rs 3.50 lakhs	36.64	
Notes:		
a) All investments are fully paid-up.		
b) Investments are valued in accordance with Accounting Standard (AS) 13 – Accounting for Investments.		
Total	**188.30**	**147.69**

Note 13

Other non-current assets

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Security Deposits	73.46	75.02
Other Deposits	0.75	0.62
Bank Fixed Deposits	1.53	1.60
Total	**75.75**	**77.24**

Note 14

Inventories

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Raw materials	868.09	822.38
Work-in-Progress	43.76	74.01
Finished goods	406.42	531.79
Total	**1,318.26**	**1,428.18**

Note 15

Trade Receivables

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Receivables outstanding for a period exceeding six months from the due date of payment		
Unsecured, considered good	-	-
Doubtful	297.09	132.66
	-	
Other receivables		
Unsecured, considered good	2,277.91	1,966.46
Less: Allowance for Bad and Doubtful Debts	-	(5.81)
Total	**2,575.00**	**2,093.31**

Trade Receivables Ageing schedule as at 31 March 2026

Particulars	Outstanding for following periods from the due 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	2,277.91	-	-	-	-	2,277.91
Undisputed, considered doubtful	-	81.70	166.41	34.51	14.47	297.09
Disputed, considered good	-	-	-	-	-	-
Disputed, considered doubtful	-	-	-	-	-	-
Less: Allowance for Bad and Doubtful Debts	-	-	-	-	-	-
	2,277.91	**81.70**	**166.41**	**34.51**	**14.47**	**2,575.00**

Trade Receivables Ageing schedule as at 31 March 2025

Particulars	Outstanding for following periods from the due 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	1,966.46	-	-	-	-	1,966.46
Undisputed, considered doubtful	-	61.44	54.71	0.27	16.25	132.66
Disputed, considered good	-	-	-	-	-	-
Disputed, considered doubtful	-	-	-	-	-	-
Less: Allowance for Bad and Doubtful Debts	-	-	-	-	(5.81)	(5.81)
	1,966.46	**61.44**	**54.71**	**0.27**	**10.44**	**2,093.31**

Note 16

Cash and bank balances

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Cash and cash equivalents		
Cash on hand	4.55	11.48
Balance with banks	-	
In current accounts	287.85	189.36
Deposits with original maturity of less than 3 months	907.24	950.00
Debit balances in cash credit accounts	244.70	31.78
Sub-total (A)	**1,444.35**	**1,182.61**
Other bank balances	-	
Balances with banks to the extent held as margin money or security against the guarantees	4.65	3.71
Bank deposits with original maturity for more than 3 months but less than 12 months from reporting date.		744.00
Sub-total (B)	**4.65**	**747.71**
Total (A+B)	**1,449.01**	**1,930.32**

Notes:

a) Debit balances in cash credit accounts represent favourable balances maintained with banks against sanctioned working capital facilities.

b) Margin money deposits are under lien with banks against banking facilities.

Note 17

Short-term loans and advances

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Balance with revenue authorities	29.25	42.05
Advances to employees	5.60	1.46
Advances to suppliers	468.77	140.94
Total	**503.62**	**184.45**

Note 18

Other current assets

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Export Incentive Receivable	8.08	5.33
Accrued interest	3.50	12.34
Prepaid Expenses	7.05	1.15
Other current receivables	0.32	0.31
Total	**18.95**	**19.13**

Note 19

Revenue from Operations

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
(a) Sale of Products	11,560.99	10,142.92
(b) Sale of Services	0.34	-
(c) Other operating revenues		
- Export incentives	44.66	33.87
Total	**11,606.00**	**10,176.79**

Note 20

Other Income

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Interest Income	87.35	16.68
Dividend Income	0.17	0.17
Insurance Claim	0.83	-
Rental Income from Investment property	2.20	1.10
Net gain on sale of fixed assets	0.00	2.40
Foreign Exchange Fluctuation Gain	90.01	21.10
Miscellaneous income	13.80	0.39
Short term Capital Gains on sale of shares	-	15.85
Total	**194.35**	**57.69**

Note 21

Cost of materials consumed

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Raw materials consumed		
Opening stock	822.38	717.62
Add: Purchase during the year	8,261.94	7,470.08
	9,084.31	8,187.69
Less: Closing stock	868.09	822.38
	8,216.22	7,365.32
Total	**8,216.22**	**7,365.32**

Note 22

Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Opening stock		
Work-in-progress	74.01	34.11
Finished goods	531.79	152.49
Traded goods	-	-
Total Opening Stock	**605.80**	**186.60**
Closing stock		
Work-in-progress	43.76	74.01
Finished goods	406.42	531.79
Stock-in-trade	-	
Total Closing Stock	**450.17**	**605.80**
(Increase)/Decrease in inventories	**155.63**	**(419.20)**

Note 23

Employee Benefit Expense

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Salaries and wages	729.88	662.64
Contribution to provident and other funds	19.64	16.45
Gratuity	8.38	26.38
Leave Encashment	2.78	0.44
Staff welfare expenses	20.80	15.87
Total	**781.48**	**721.79**

Note 24

Finance Cost

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Interest expense		
- On bank loan	10.88	15.75
- Other interest	-	0.13
Bank Charges	12.94	5.62
Total	**23.82**	**21.50**

Note 25

Depreciation and Amortization Expense

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Depreciation	352.14	294.83
Amortisation	0.18	0.27
Total	**352.32**	**295.10**

Note 26

Other Expenses

(Rs. in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Clearing & Forwarding Charges	153.45	108.80
Electricity Expenses - Factory	189.97	171.02
Electricity Expenses - Office	1.92	1.81
Labour Charges	6.07	12.98
Spares, Tools & Consumables	57.11	65.34
Power and Fuel	10.69	9.54
Packing and Forwarding	9.53	8.33
Transport Charges	86.18	185.65
Audit Fees	3.00	10.00
Bad debts	0.89	-
Brokerage & Commission Expense	11.60	7.97
Rent Expenses		
- Machinery - Rent	1.30	1.27
- Others Rent	25.42	16.93
Repairs & Maintenance	28.50	42.09
Insurance	8.70	8.52
Telephone & Internet Expenses	2.48	2.20
Tours and Travelling Expenses	32.79	25.94
Conveyance and Petrol Expenses	1.04	1.46
Loading-Unloading Charges	-	2.60
Rates and taxes	14.57	11.50
Provision for doubtful debts	-	(2.75)
Printing & Stationery Expenses	2.43	2.42
Refreshment Expenses	3.68	2.83
Postage & Courier Expenses	4.37	2.42
Software Expenses	0.25	3.79
Legal and Professional Expenses	99.77	145.80
Vehicle Expenses	0.20	0.63
Advertisement & Marketing Expenses	5.45	7.01
Testing & Inspection Charges	19.71	19.26
Registration & Renewal charges	7.72	10.22
Late Delivery Charges	3.46	3.42
Donation Expenses	0.22	0.26
Membership & Subscription Charges	3.45	2.26
Security Expenses	13.18	12.15
Business Promotion Expenses	8.46	10.80
Sundry Office and Factory Expenses	5.52	9.85
CSR Expenditure	28.05	21.61
Placement & Recruitment Charges	0.48	0.21
Miscellaneous Expenses	2.61	13.78
Exhibition Expenses	51.56	36.54
Housekeeping Charges	3.31	-
Total	**909.08**	**996.46**

Note 27

Earnings per share

Particular	31-Mar-26	31-Mar-25
Basic Earning per share		
(a) Profit/(Loss) after tax attributable to equity share holders	100,454,253	90,056,411.64
Number of shares		
Number of shares at the beginning of the year	11,100,200	9,300,200
Number of shares at the end of the year	11,100,200	11,100,200
(b) Weighted average number of shares	11,100,200	9,492,529
Basic Earnings/(Loss) per share (a/b)	**9.05**	**9.49**
Diluted Earning per share		
(a) Profit/(Loss) after tax attributable to equity share holders	100,454,253	90,056,412
Add: Loss/expense on potential equity share	-	-
Less: Profit/income on potential equity share	-	-
Adjusted Profit/(Loss) (a)	**100,454,253**	**90,056,412**
Number of shares		
Number of shares at the beginning of the year	11,100,200	9,300,200
Number of shares at the end of the year	11,100,200	11,100,200
(b) Weighted average number of shares	11,100,200	9,492,529
Effect of dilutive equity shares	-	-
Adjusted number of shares (b)	**11,100,200**	**9,492,529**
Diluted Earnings/(Loss) per share (a/b)	**9.05**	**9.49**

Note 28

Related Party Disclosure

(i) List of Related Parties

Name	Relationship
Mansi Bagadiya	Key Managerial Personnel
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
Royal Arc Infrastructure Pvt Ltd	Associate Entity

(ii) Transactions with related parties

Particulars	Relationship	31-Mar-26	31-Mar-25
Salary / Remuneration (incl. Bonus)	Directors and Relative of Directors	169.57	226.30
Salary / Remuneration (incl. Bonus)	Key Managerial Personnel	2.83	2.65
Loan given during the year	Director	-	4.00
Loan received back during the year	Director	-	-
Loan taken during the year	Director	-	-
Loan repaid during the year	Director	0.51	7.01
Rent Expense	Director	24.02	15.29
Investment in Property	Associate Concern	-	-

(iii) Outstanding Balances arising from transactions with related parties

Particulars	Relationship	31-Mar-26	31-Mar-25
Loans Outstanding	Director	12.51	13.07
Salary Outstanding	Directors and Relative of Directors	7.87	13.06
Rent Outstanding	Director	-	1.01
Due from Supplier	Associate Concern	-	-

Note 29

Employee Benefit Plans

(i) Defined Contribution Plan

Particulars	31-Mar-26	31-Mar-25
Employers Contribution to Provident Fund	14.37	12.27
Employers Contribution to Employee State Insurance	4.02	4.15

Note 30

Contingent liabilities and commitments

Contingent liabilities

Particulars	31-Mar-26	31-Mar-25
Contingent liabilities on account of pending litigations	-	-

*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.

Note 31

Auditor's Remuneration

Particulars	31-Mar-26	31-Mar-25
Audit matters	3.00	10.00
Taxation matters	-	-
	3.00	**10.00**

Note 32

Foreign Exchange Disclosures

Earnings in Foreign Currency

Particulars	31-Mar-26	31-Mar-25
Export of Goods	389.04	1,700.83

Expenditure in Foreign Currency

Particulars	31-Mar-26	31-Mar-25
Exhibition Expenses	14.41	-
Bank Charges	3.47	3.34
Professional Fees	0.28	-
Travelling Expenses	7.13	1.61

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

Particulars	31-Mar-26	31-Mar-25
Raw Material	332.72	127.35
Capital Goods	464.41	281.15

Note 33

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	
Building	543.14	-	-	-	**543.14**

Note 34

Ratio Analysis

Particulars		Numerator/Denominator	31-Mar-26	31-Mar-25	Change in %
(a)	Current Ratio	Current Asset / Current Liabilities	6.80	7.39	-8.04%
(b)	Debt-Equity Ratio	Total Debts / Equity	0.00	0.01	-77.91%
(c)	Debt-Service Coverage Ratio	Earning available for Debt Service / Total Debt	48.61	15.31	217.41%
(d)	Return on Equity Ratio	Profit after Tax / Average Shareholder's Equity	13.13%	15.79%	-16.85%
(e)	Inventory Turnover Ratio	COGS / Average Inventory	5.98	6.32	-5.26%
(f)	Trade Receivable Turnover Ratio	Net Credit Sales / Average Account Receivable	4.95	4.88	1.59%
(g)	Trade Payable Turnover Ratio	Net Credit Purchases / Average Trade Payable	26.20	14.70	78.22%
(h)	Net Capital Turnover Ratio	Total Turnover / Average Working Capital	2.35	2.81	-16.44%
(i)	Net Profit Ratio	Net Profit / Total Turnover	8.66%	8.85%	-2.19%
(j)	Return on Capital Employed	Net Profit / Capital Employed	18.53%	20.58%	-9.98%
(k)	Return on Investment	Return on Investment / Total Investment	1.26%	11.59%	-89.16%
(l)	Interest Coverage Ratio	EBITDA/Interest Expenses Interest Paid/EBITDA	140.63	94.91	48.18%

Reasons for variance:

a) Current ratio decreased due to increase in current liabilities and reduction in cash and bank balances, partially offset by increase in receivables.

b) Debt-equity ratio decreased due to reduction in short-term borrowings and increase in reserves and surplus, resulting in lower leverage.

c) Debt-Service Coverage Ratio increased significantly due to reduction in borrowings and interest costs, resulting in a very low debt base and higher earnings available for debt servicing.

d) ROE decreased due to increase in average shareholder equity outpacing growth in profit after tax.

e) Inventory turnover ratio has decreased on account of decrease in average inventory.

f) Increase in trade receivables due to increase in credit sales.

g) Increase due to significant reduction in average trade payables while purchases increased during the year, indicating faster supplier payments.

h) Net Capital Turnover Ratio has reduced due to increase in average working capital during the year.

i) Marginal decline due to increase in operating and other expenses offsetting revenue growth.

j) Return on capital employed has increased during the year on account of increase in the capital empoyed as compared to previous year and increase in EBIT during the year

k) ROI declined sharply due to absence of significant one-time investment gains during the current year compared to the previous year.

Note 35:

Other Regulatory Disclosures

According to the information and explanations given to us, we hereby report:

(i) The Company does not hold any Benami property and no proceedings have been initiated or are pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

(ii) The company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(iii) The Company do not have any charges or satisfaction which are required to be registered with Registrar of Companies and which remain unregistered beyond the statutory period prescribed under the Companies Act, 2013

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: 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 to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Company shall: 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.

(vii) The Company do not have any such transaction which is not recorded in the books of accounts and that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) The title deeds of all immovable properties (as disclosed in the financial statements) are held in the name of the Company.

(ix) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

ISO : 9001:2015
Certified Company

ROYAL ARC ELECTRODES LIMITED®

Mfgrs. of : WELDING CONSUMABLES

72B, Bombay Talkies Compound,
Malad (West), Mumbai – 400 064, Maharashtra, India.
Email : cs@royalarc.in. Mob : 7888000553, Website : www.royalarc.in
CIN : L31100MH1996PLC096296

ATTENDANCE SLIP

(To be presented at the entrance)

Regd. Folio No./Client ID No. ____________________

No. of Shares held ____________________

DP ID No. ____________________

I hereby record my presence at the **30^{TH} ANNUAL GENERAL MEETING** of the company held on **28^{th} August, 2026 at 10:00 a.m.** at K9, Sonal Heavy Industrial Estate, Link Road, Malad West, Mumbai 400064.

____________________ ____________________

Member's/ Proxy's name in BLOCK Letters **Signature of Member/Proxy**

NOTE: Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting. Members are requested to bring their copies of the Annual Report to the meeting.

ISO : 9001:2015
Certified Company

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014 Form No. MGT. 11]

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

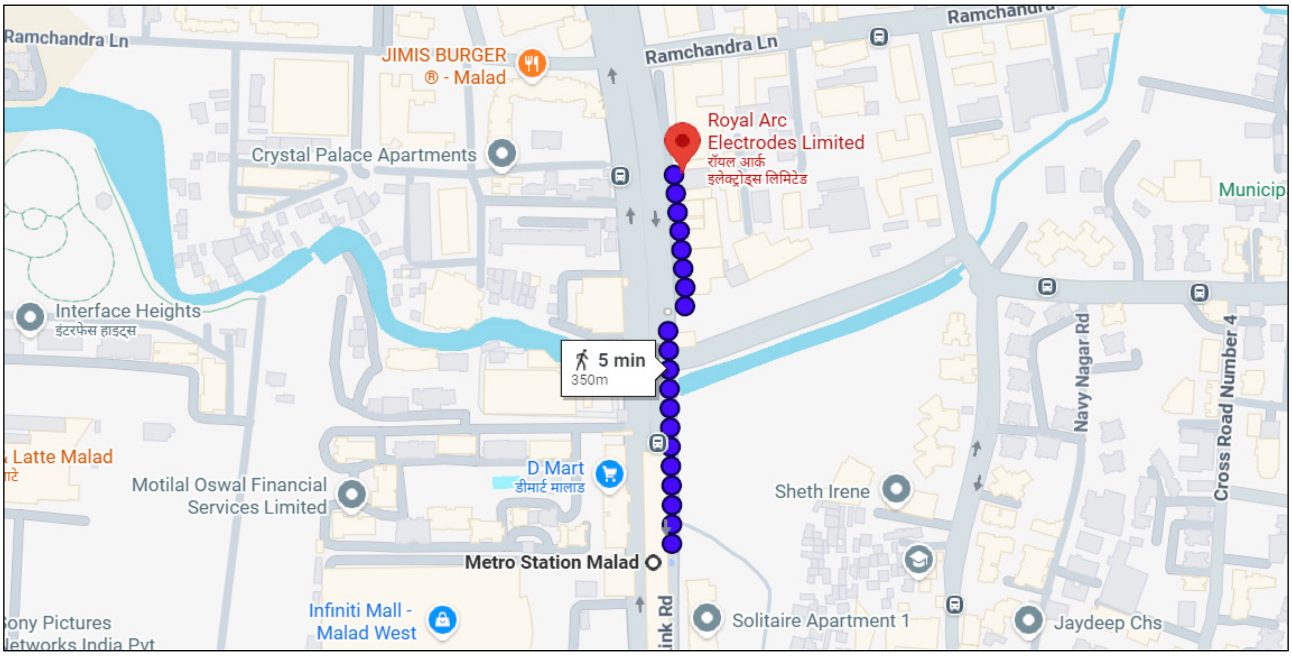
1. ____________________of____________________having e-mail id____________________, or failing him,

2.____________________of____________________having e-mail id____________________, or failing him,

3.____________________of____________________having e-mail id____________________.

Route map to reach the AGM Venue

(Malad Metro Station to Royal Arc Electrodes Ltd.)



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on 28th August, 2026 at 10:00 a.m. at K9, Sonal Heavy Industrial Estate, Link Road, Malad West, Mumbai 400064 and at any adjournment thereof in respect of such resolutions as are indicated below:

* I wish my above Proxy to vote in the manner as indicated below:

SN	Resolutions	For	Against
1.	To adopt Audited Financial Accounts for F.Y. 2025-26		
2.	To appoint director in place of Mr. Swagat Sanghvi who retires by rotation		
3.	To declare final dividend on equity shares of the Company for the financial year ended 31st March, 2026		
4.	To re-appoint Mr. Bipin Shantilal Sanghvi (DIN: 00462839) as Chairman & Managing Director		
5.	To re-appoint Mr. Hardik Bipin Sanghvi (DIN: 00617415) as a Whole Time Director		
6.	To re-appoint Mr. Swagat Bipin Sanghvi (DIN: 01695341) as a Whole Time Director		
7.	Appointment of Secretarial Auditor		
8.	Ratification of remuneration to the Cost Auditors for the FY 2026-2027		

Signed this ______________________________ day of _________________ 2026

Affix Revenue Stamp

Signature of Shareholder(s): ____

Signature of Proxy holder(s): ________________ ______________________ ___________________

(first proxy holder) (second proxy holder) (third proxy holder)

Notes

1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a Member of the Company.

*3. This is only optional. Please put 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

ROYAL ARC
Advanced Welding Solutions

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