

Date: 10/02/2025

То,	To,
The Manager,	Listing Department,
Listing & Compliance,	National Stock Exchange of India
BSE Limited	Limited,
Phiroze Jeejeebhoy Towers,	C-1, G-Block, Bandra-Kurla
Dalal Street, Mumbai - 400 001.	Complex
	Bandra (E), Mumbai – 400 051
Ref: Scrip Code - 540393	Ref: Scrip Symbol - SMLT

Subject: Earnings Presentation Q3 FY 2024-2025.

Dear Sir/Ma'am,

Pursuant to Regulation 30(6) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are enclosing herewith Earnings Presentation of the Company. The said presentation is also being made available at the website of the Company at <u>www.sarthakmetals.com</u> You are requested to kindly take the same on your record.

Thanking You,

For, Sarthak Metals Limited

Pratik Jain Company Secretary and Compliance Officer

Encl. as above.

Head Office : BBC Colony, G.E. Road, P.O. : Khursipar, Bhilai - 490 011 (C.G.) Contact :+91 91 1101 5041 Landline :+91 788 2296495, 2296499 Telefax :+91 788 2225874 E-mail :info@sarthakmetals.com





MODERN METALLURGICAL SOLUTIONS FOR FINE TUNING STEEL

EARNINGS PRESENTATION Q3 FY25

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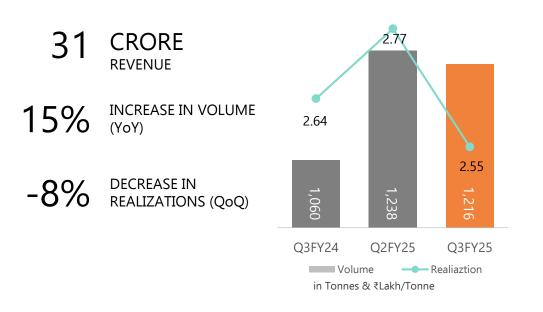
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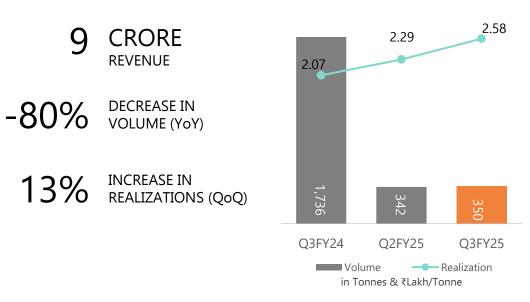
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COREOPERATONAL BIGGEOPERATONAL

CORED WIRES



ALUMINIUM FLIPPING COIL



03 F125 P82 L SUN MA

PARTICULARS (₹ IN CRORES)	Q3FY25	Q2FY25	Q3FY24	YOY% change	QOQ% change
Revenue from Operations	44.00	45.72	75.30	-42	-4
Total Income	44.47	46.47	75.98	-41	-4
Operating Expenses	41.94	43.79	72.84	-42	-4
EBITDA (Excluding OI & EI)	2.06	1.94	2.45	-16	6
EBITDA %	4.67%	4.24%	3.26%	+ 141 bps	+ 43 bps
Finance Cost	0.09	0.18	0.33	-72	-48
Depreciation & Ammortization	0.79	0.61	0.54	48	29
PBT	1.64	1.88	2.27	-28	-13
РАТ	1.22	0.83	1.73	-29	48
EPS (₹)	0.92	0.61	1.27	-28	51

SARTHAK METALS Q3 FY25 EARNINGS PRESENTATION

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MANAGEMENT COMMENTARY

COMMENTING ON THE Q3 FY25 PERFORMANCE, SANJAY SHAH, EXECUTIVE DIRECTOR, SAID

"Steel imports from China reached a seven-year high between April and December 2024, reducing the market share of domestic steelmakers. Without robust trade protection measures, cheaper imports are likely to persist, impacting the steel industry and allied businesses like ours. However, since October 2024, we have observed strong signs of a trend reversal in our core steel business. We anticipate that the steel downcycle, which began in 2022, is nearing its end.

In our cored wire business, we have seen an improvement in Q3 volumes, a trend that continues into January 2025. In a highly competitive environment, our technological edge and extensive experience have provided us with a significant advantage and we managed to increase our market share. We expect this positive trend to continue.

The aluminium flipping coil business has started showing positive EBITDA in the domestic market, supported by local sourcing (as against imports). We are scaling it up cautiously. High aluminium scrap prices and disrupted global supply chains have compressed margins across the industry. To protect profitability, we have scaled down operations rather than engage in unprofitable price competition. Until international prices normalize, we will continue to avoid importing scrap. Once conditions stabilize, we plan to resume operations at full capacity.

Our welding division demonstrated strong momentum, achieving revenues of Rs 1.6 crore in Q3 FY25. Volumes grew by 15% quarter-on-quarter to 145 tonnes, with a price realization of Rs 1.10 lakh per tonne. Demand from the building and construction industries, railways, heavy engineering, and the energy sector is driving growth in India's Rs 3,000 crore welding consumables market. Currently, half of this fragmented market is controlled by unorganized players. We are expanding our distribution network and have a dedicated welding team. With our brand's quality and service excellence, we are confident in capturing a significant share as we extend our reach.

In our biotechnology venture, we are close to finalizing the specific biotech areas to prioritize from a range of possibilities. We see substantial potential in health and nutrition supplements, an evolving market in India with strong growth prospects compared to the western world. This also presents a promising opportunity for export-driven business.

The year-over-year decline in company revenues for the December quarter of FY25 is attributable to our strategic decision to temporarily scale down our aluminium business in response to margin pressures. However, our long-term vision remains robust: we aim to transform from a steel consumables supplier into a diversified company with strong footholds in cored wire, welding consumables, and biotechnology. As we continue to innovate and diversify, we are committed to delivering sustainable value to shareholders. Our strategy of building multiple growth engines positions us for resilience and long-term success in an evolving market".





	OVERVIEW	Flux Core Arc Welding is a type of welding process using consumable electrode that contains flux around it Flux melts together with the electrode during the welding process and shields the joint	INDIAN IMPORTS OF FLUX CORED WIRE
		Presently, India has little to none manufacturing capacity for this product range	
		Its needs are met from imports, predominantly from China, thus offering an import substitution opportunity	
	APPLICATIONS	As a Welding consumable in various industries including Shipbuilding and Construction Usable on plain, carbon, alloy, stainless as well as duplex steel Used for Hardfacing and Surfacing Mechanical Industries	11,993 12,625 2020 2021 2022
	CURRENT PROJECT STATUS	We achieved revenues of Rs 1.6 crore in Q3 FY25. Volumes grew by 15% quarter-on-quarter to 145 tonnes, with a price realization of Rs 1.10 lakh per tonne. Currently, we sell 60 tonnes of flux- cored arc welding consumables per month, with plans to increase it to 100 tonnes in the next few months. We aim to achieve annual sales of Rs 25 crore within two years.	~14,500 + TPA 3Y AVERAGE IMPORT QUANTITY 1,200 + TPA
	• UPDATE ON	We have capacity to produce 2,500-3,000 tons of flux cored wire annually. We currently manufacture seven grades across three categories—carbon steel, stainless steel, and hardfacing. The Company has 'BIS certification' for its Flux Cored products	INITIAL QUANTITY ANNOUNCED BY SML
,	WE	LDING	
	BUS	SINESS	

COMPANY BACKGROUND BUSINESS UPDATE

WHAT IS BIOTECHNOLOGY?

Biotechnology is the branch of applied science that uses living organisms and their derivatives to produce products and processes. These products and processes feature in healthcare, medicine, biofuels, and environmental safety.

India's BioEconomy crossed an estimated \$92 billion in 2022 and the policy makers and industry together have now set an ambitious target of \$150 Bn by 2025, and \$300 Bn by 2030 with a CAGR of ~17%.

This is possible by 2030 when the BioPharma sector races to hit the \$120-125 billion mark and each of the three segments—Bioagri, Bioindustrial and BioServices cross the \$60 billion mark.

CURRENT PROJECT STATUS

We are close to finalizing the biotech areas we plan to initially venture into, from among various possibilities. We see a significant export opportunity in health & nutrition supplements. Along with that, a state of the art fermentation facility offers a lot of flexibility, including CDMO (Contract, Development and Manufacturing Organization) business which holds a lot of potential.

UPDATE ON

We have invested Rs 50 lakh to date, primarily for a pilot R&D facility in Nagpur including basic equipment and advisor salaries.

BIOTECH BIOTECH NOLOGY



BIOTECH FOCUS AREAS & VISION

01 INDUSTRIAL ENZYMES

WHAT IS AN ENZYME?

Enzymes are biologically active proteins derived from living organisms such as bacteria, fungi and plants. They serve as biocatalysts to accelerate and optimize a wide range of industrial applications.

FOCUS

Alternate Energy: Biofuel production like biogas and ethanol due to its higher efficiency and lesser environmental impact.

Food & Beverage to enhance quality, flavor, texture & nutritional value of products. **Laundry Enzymes** in detergents and cleaning products for deeper cost-effective cleaning.

Wastewater Treatment by breaking organic pollutants and improving water quality.

WHAT IS A MICRO-NUTRIENT?

Micronutrients describe the vitamins and minerals necessary for optimal health. They are critical for important functions of the body. Biotechnologies are available to improve the amount and availability of nutrients in plant crops.

WHAT IS PREBIOTICS & PROBIOTICS?

Probiotics are good bacteria that live in your gut and help break down food, support gut health, and boost your immunity. Prebiotics, on the other hand, are the food for your good bacteria, helping them thrive and multiply.

FOCUS

Soil health: Soil enzymes assist in conversion of organic matter into nutrients that plants use to grow.

Health and Animal Health Supplements: Micro nutrients-tablet, nutraceutical systemic dietary enzymes promote general body support.

Animal Supplements: Cutting-edge animal diets by optimizing utilization of limited feed resources

FOCUS

Importance of Gut Health in immunity development, active health food and numerous nutraceutical applications

Animal Nutrition for digestion improvement, immunity development and to increase the nutritional level of feed

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COMPANY BACKGROUND BUSINESS UPDATE

02

MICRO-

NUTRIENTS



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* Provisional Figure

₹650+ Cr*

leading business group with interests in the Metals and Energy sector



state-of-the-art fully-functional Manufacturing facilities in Bhilai, Chhattisgarh housed under



SARTHAK METALS LTD SARTHAK ENERGY PVT LTD BANSAL BROTHERS

DESRAJ BANSAL GROUP

Q3 FY25 EARNINGS PRESENTATION

RTHAK ETALS ETALS LTD CORED WIRES & ALUMINIUM FLIPPING COIL

"SARTHAK" IS PART OF THE 650+ Cr DB GROUP

INDIA'S LEADING MANUFACTURER & EXPORTER OF CORED WIRES & ALUMINIUM FLIPPING COILS

Being an experienced and quality conscious manufacturer, Sarthak is the preferred supplier to some of India's largest steel units.

Headquartered in Bhilai, Chattisgarh with its state-of-the-art ISO 9001-2000 certified manufacturing units, the company is strategically located in close proximity to a critical steel hub in the country

10,000 TPA cored wires capacity

15,000 TPA ALUMINIUM FLIPPING

425+	30+	
COMMITTED	ACTIVE	
WORKFORCE	CLIENTS	
10% REVENUE	19% PAT	
CAGR	CAGR	
FY 19-24	FY 19-24	

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COMPANY BACKGROUND DESRAJ BANSAL GR



GROUP ENTITIES

ESRAJ BANSAL GROUP

SARTHAK ENERGY PVT LTD

2 MW SOLAR POWER PLANT

SOLAR ENERGY





INCORPORATED

with an industrial gases unit producing industrial oxygen and carbon dioxide catering to industries units in its vicinity



FIRST CORED WIRE MILL

In efforts to cater to the growing metallurgical industry in the country, commenced its first cored wire mill built in-house



COMMENCED PRODUCTION OF ALUMINIUM FLIPPING COILS

with the first mill built in-house



STARTED MANUFACTURING CORED WIRE FEEDER MACHINES

MILESTONES



IPO & BSE LISTING

Raised funds through its initial public offer and got listed on BSE SME



COMMENCED BACKWARD INTEGRATION FOR FLIPPING COILS

Started producing aluminium wire rods

ENTERED FLUX CORED WIRE BUSINESS WITH HUGE IMPORT SUBSTITUTION OPPORTUNITY

VENTURED INTO BIOTECH Starting with alternate energy production of bioethanol and biogas in Nagpur,

Maharashtra

MILESTONES

RESENTATION

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PRODUCT CATEGORIES

CORED WIRES

COMPANY BACKGROUND MILESTONES

Cored Wires are a product of wire injection technology of steels. They consist of steel tubes (wires) filled with various alloys that are injected in molten metal for introducing different characteristic in the metal.

Some key cored wires manufactured by Sarthak are – Calcium Silicide, Calcium Iron, Calcium Aluminium Iron, Calcium Solid Wire, Lead Cored Wire, Ferro Titanium, Carbon, Ferro Boron, Magnesium Ferrosilicon, Nitride Manganese, Ferro Niobium.

Key functions of cored wires is steel refining, alloy addition, deoxidation, desulphurization, denitrification, etc.

WHY CORED WIRES? Cored wires (or wire injection technology) are a substitute to single-shot addition of alloys into molten metal. Cored wire helps in uniform and homogeneous mixing of alloys in the ladle. It is a more accurate and efficient process of adding chemical elements in the casting. Cored wires have become a indispensable part of metallurgical plants today.

ALUMINIUM FLIPPING COILS

Aluminium flipping coils are used in steel manufacturing process for de-oxidising of molten steel, and as a alloying element for manufacturing specialized steel.

Key functions of aluminium wire are deoxidising, grain refining, nitride forming and alloying of steel.

FLUX CORED WIRE

Flux Core Arc Welding, a type of welding process using consumable electrode that contains flux around it Flux melts together with the electrode during the welding process and shields the joint. It is used widely in various industries including construction, fabrication workshops and shipbuilding.

WIRE FEEDER MACHINES

Machines that are designed to inject cored wires into molten steel for metallurgical process control. The Company offers a wide range of customized machines, with 2 and 4 strand options that can draw wires from 5 to 15 mm diameter with a speed of up to 300 meters per minute.

Manufacturing Capacity (Double Shift)

CORED WIRES

10,000 TPA

04 Manufacturing Lines

ONES

COMPA

ALUMINIUM FLIPPING COILS

15,000 TPA Expanded in FY23

02 Manufacturing Lines

Built in-house specific to company needs equipped with sophisticated machinery and testing equipment

03 State-of-the-art manufacturing facilities strategically located in Bhilai, Chhattisgarh in proximity to main clients

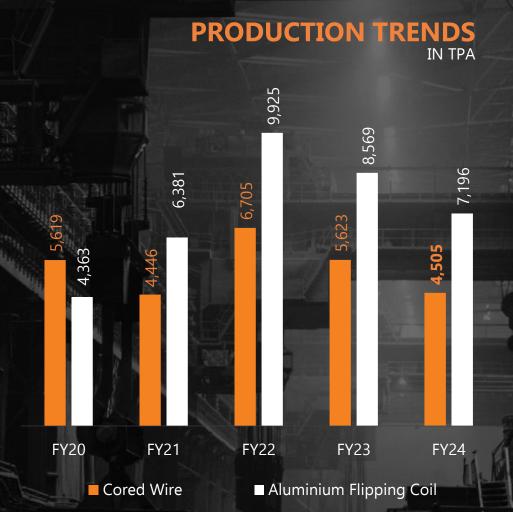
Cumulative plot area with land availability for future expansion

ISO 9001-2008 CERTIFIED

~4,50,000 SQ. FT.

Equipped with a fully-functional chemical lab and atomic absorption spectrophotometer for testing and QC of raw materials & finished product

INFRA STRUCTURE



FY25



CLIENTS

CLIENT PROFILE

STEEL PLANTS FABRICATION UNITS FOUNDRIES

85% REPEAT BUSINESS

40%

20

TOP 5 CLIENTS SALES CONTRIBUTION

10+ YEAR RELATIONSHIPS

05 5+ YEAR RELATIONSHIPS SARTHAK METALS Q3 FY25 EARNINGS PRESENTATION

CORED WIRES

1,500 SQ. MT. MATERIAL STORAGE SPACE

2,000+ TONNES EQUIVALENT TO 3 MONTHS' BUFFER

SUFFICIENT SPACE TO STOCK FINISHED PRODUCTS AS WELL

ALUMINIUM FLIPPING COILS

2,800 SQ. MT. MATERIAL STORAGE SPACE

4,000 + TONNES EQUIVALENT TO 4 MONTHS' BUFFER

State-of-the-art facilities

Ensuring uninterrupted and reliable supply of metallurgical solution

Establishing Sarthak as a preferred supplier with leading Indian steel mills

acilities supply of metallurgical solution supplier with WAREHOUSING CAPABILITIES

LEADERSHIP



ANOOP KUMAR BANSAL

MANAGING DIRECTOR

Mr Bansal has a Bachelors in Commerce degree from Nagpur, as Managing Director he has been instrumental in strategic planning. He brings innovative commercial ideas, execution-led experience, and vision to the table, which has contributed to the Company's success. He is also entrusted with looking after DB Group's ferroalloys division and the Company's industrial gases division (which has been sold in 2021). In addition, he leads the CSR initiatives at the Company.



SANJAY SHAH

WHOLE-TIME DIRECTOR

Mr Shah is a Whole-Time Director and the head of Marketing team at Sarthak. He has been instrumental in creating the domestic business of Sarthak, and getting the Company empaneled with leading steel institutions of the country, and as a result Sarthak works with the largest Indian steels mills today.



MAYUR BHATT

WHOLE-TIME DIRECTOR & CEO

Mr Bhatt is a Whole-Time Director and the Chief Executive Officer of the Company. He is an essential link between the production and sales functions of the organisation; he also manages the day-to-day business and financial activities of the Company. He also contributes to raw materials management. His contributions have been of great value to the Company.

BOARD OF DIRECTORS

MR SUNIL KUMAR AGARWAL

MS RAMA KOHLI

CHAIRMAN & NON-EXECUTIVE, NON-INDEPENDENT DIRECTOR

Mr Agarwal holds a Bachelors Degree in Engineering (Mechanical) (Honors). In his past roles, Mr Agarwal has been associated with GCET Raipur, Indian Railways Traffic Services, and served prestigious roles such as Divisional Railway Manager, Chief Commercial Manager SEC Railway, Chief Operating Manager and additional member to the Ministry of Railways.

NON-EXECUTIVE, INDEPENDENT WOMAN DIRECTOR

Ms Rama Kohli holds a Bachelors Degree in Science from Pt. Ravishankar Shukla University, Raipur. In addition, she has also completed her PGDBM from Pt. Ravishankar University, Raipur. She is currently undertaking various management advisory activities.

MR SUNIL DUTT BHATT

NON-EXECUTIVE, INDEPENDENT DIRECTOR

Ms Sunil Bhatt has more than 35 years of work experience as a part of the department of Instrument and Weighing in Bhilai Steel Plant, SAIL. He recently retired in 2020 and joined the Company's board in 2021.

MR DWADASI VENKATA GIRI

NON-EXECUTIVE, INDEPENDENT DIRECTOR

Mr Dwadasi Venkata Giri has completed his Post Graduation (M.Com) from Pt. Ravishankar Shukla University, Raipur. He also completed LLB and CA IIB from Raipur. He has vast experience in the banking and finance domain.

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REVENUE FROM OPERATIONS

(₹ IN CRORES)

PROFIT AFTER TAX

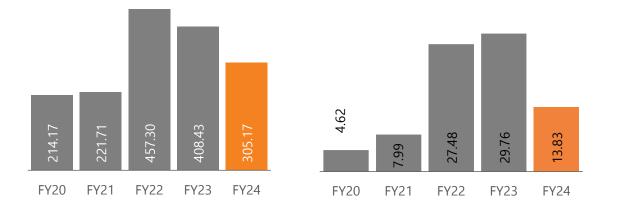
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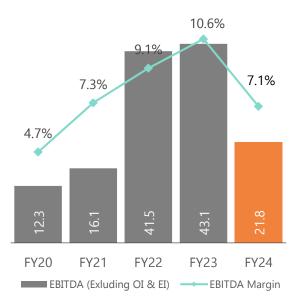
EBITDA & **EBITDA MARGINS**

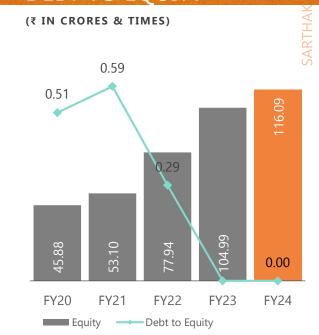
(₹ IN CRORES & IN %)

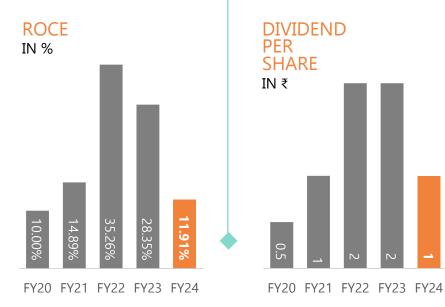
EQUITY & DEBT TO EOUITY

(₹ IN CRORES & TIMES)

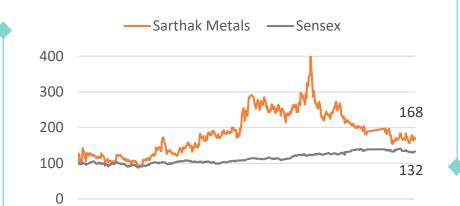




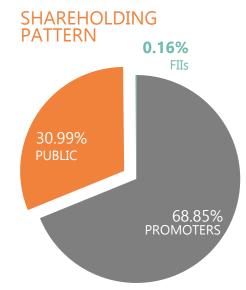




SHARE PRICE SINCE LISTING* V/S BSE SENSEX SHARE PRICE (INDEXED) PERFORMANCE

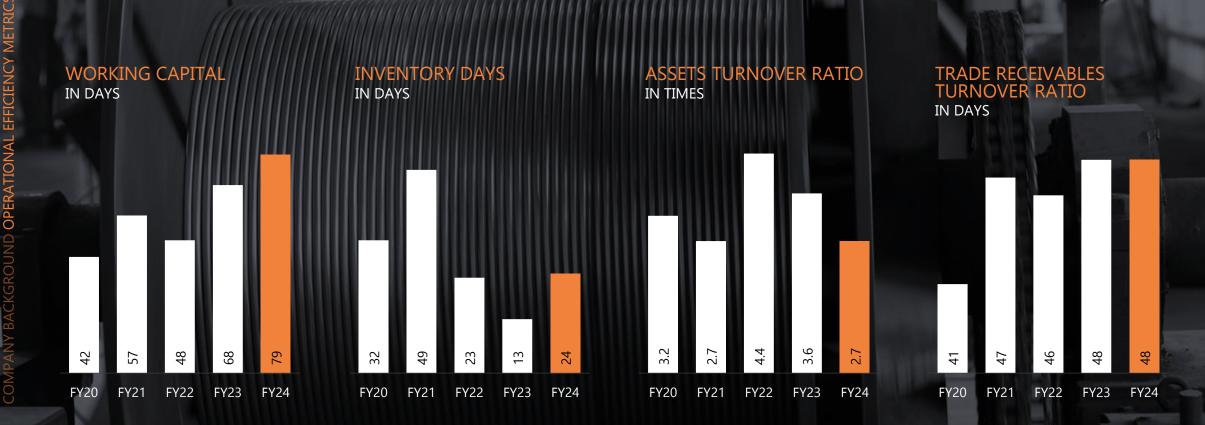


^{*}Since Nov 25, 2021 listing on BSE Main Board



SHAREHOLDER VALUE CREATION

OPERATIONAL EFFICIENCY METRICS





SUSTAINABILITY INITIATIVES

GOING GREEN WITH BIOTECHNOLOGY

SUSTAINABAILITY INITIATIVES

Enzymes offer a sustainable alternative to traditional chemical processes due to their biodegradability, renewability and minimal environmental impact.

There is growing demand for processed and convenience foods, coupled with the need for natural and sustainable food additives.

Moreover, increasing focus on reducing greenhouse gas emissions and finding sustainable alternatives to fossil fuels, has fuelled demand for enzymes in the production of biofuels, such as ethanol and biogas, by converting biomass into usable forms of energy.

USAGE OF ALUMINIUM SCRAP

Production of about 75% of Aluminium Flipping Coil of Sarthak Metals is from usage of Aluminium scrap. Producing them from ores is very energy-intensive.

Recycling shifts the balance towards higher sustainability as

ENERGY NEEDED TO MELT ALUMINIUM 5%

of that consumed in ore reduction.

SOLAR POWER

With 400 KW of renewable energy used, the company demonstrates the group's commitment to sustainable practices, while remaining cost-competitive in an era of rising energy cost.

This renewable energy source will not only help substitute a portion of our energy consumption but also result in approximately a 50% reduction in electricity expenses due to captive consumption.

GET IN TOUCH

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SAFE HARBOR

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Certain matters discussed in this Document may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company sature, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Document. The Company and projections made by third parties included in this Document are not adopted by the Company is not the company is not responsible for such third-party statements and projections.



Investor Update: Addressing Key Questions

Q1. What is the macroeconomic outlook for your steel-linked business? Our core business, which includes cored wire and aluminium flipping coil, is fundamentally strong but cyclical, as it is closely tied to India's economic growth. Slower GDP growth—projected at 6.4% in FY25, the lowest in four years—impacts steel production and, consequently, our sales.

Additionally, steel imports from China have reached a seven-year high in Apr-Dec 2024, reducing the market share of domestic steelmakers. Combined with capacity expansion across the industry, capacity utilization is expected to drop to a four-year low of 78% in FY25 (as per ICRA).

Global trade policies, such as protectionist measures from Trump 2.0, could further influence this dynamic. Without strong trade protection measures, cheaper imports will likely persist, affecting the steel industry and allied businesses like ours.

However, there is a silver lining. Since October 2024, we have observed strong signs of a trend reversal in our core steel business. Both cored wire and welding consumables have been recording robust volumes, a trend that has continued into January 2025. We expect this positive momentum to persist as we anticipate that the steel downcycle, which began in 2022, is nearing its conclusion.

In parallel, India's trade dynamics have exhibited notable shifts in recent months, reflecting both resilience and emerging challenges. Notably, there has been an uptick in cargo handling at major ports and a significant jump in iron ore imports. Moreover, Budget 2025's allocation of INR 11.2 lakh crore for Capex, marking a 10% increase from the previous fiscal year, is expected to stimulate infrastructure development, thereby driving domestic steel demand.

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Q2. Can you summarize the financial performance for Q3FY25? Our Q3FY25 revenue was approximately INR 44 crore; down 4% on a q-o-q basis. On a y-oy basis revenue was down 42% from INR 75 crore in the previous year. This decline is due to our strategic decision to temporarily exit the unprofitable aluminium flipping coil business.

Cored wire revenue were INR 31 crore during the quarter, while aluminium flipping coil revenue was INR 9 crore.

Our EBITDA (excluding Other income and Extraordinary income) was Rs 2.1 cr in Q3FY25 – up 6% on a q-o-q basis on the back of savings in material cost. EBITDA margins were at 4.7% in Q3FY25 – showing fourth quarter of consecutive improvement emphasizing our great cost control measures. EBITDA margins a quarter before was at 4.2%.

Profit After Tax (PAT) were up 48% to INR 1.2 crore in Q3FY25 on the back of savings in material costs as well as that of taxes. On a y-o-y basis, PAT was down 29% due to fall in revenue and scale of our business. Despite these challenges, our debt-free balance sheet, with a cash position of INR 27 crore, provides ample financial flexibility for future investments.

Q3. How is the cored wire business performing? The cored wire business showed resilience, with Q3FY25 revenue growing 11% year-on-year to INR 31.0 crore even when realizations were down 4% to INR 2.55 lakh per metric tonne (MT). In Q3FY25, volumes rose 15% year-on-year to 1,216 tonnes but were 2% lower sequentially.

The business is showing strong signs of recovery, with improvements in volumes. Despite highly competitive environment, our technological edge and extensive experience have provided us with a significant advantage and we managed to increase our market share. We anticipate this volume momentum to persist, barring any unforeseen disruptions.

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Q4. Can you provide details on the aluminium flipping coil business? Revenue from aluminium flipping coils fell 75% year-on-year to INR 9.0 crore in Q3FY25, with volumes declining 80% to 350 tonnes. However, price realizations have been improving consecutively over the past five quarters. In Q3FY25, price realization moved sharply q-o-q by 13% to INR 2.58 lakh per MT and 25% on a y-o-y basis.

The aluminium flipping coil business has started showing positive EBITDA in the domestic market, supported by local sourcing (we usually import aluminium scrap). We are scaling it up cautiously. However, high aluminium scrap prices and disrupted global supply chains have compressed margins across the industry. To protect profitability, we have scaled down operations instead of engaging in unprofitable price competition. Until prices normalize in the international market, we will avoid importing scrap.

We prioritize profitability and will exit businesses that do not add value.

Q6. How is the new welding consumables business progressing?

Our welding division demonstrated strong momentum, achieving revenues of INR 1.6 crore in Q3 FY25. Volumes grew by 15% quarter-on-quarter to 145 tonnes, with a price realization of INR 1.10 lakh per tonne.

We are expanding our distribution network and have a dedicated welding team in place. Currently, we sell 60 tonnes of flux-cored arc welding consumables per month, with plans to increase it to 100 tonnes in the next few months. We aim to achieve annual sales of INR 25 crore within two years.

With an annual production capacity of 2,500-3,000 tonnes, we are well-positioned in the rapidly growing INR 300 crore flux-cored wire market, which could reach INR 1,000 crore in 3–5 years.

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We currently manufacture seven grades across three categories—carbon steel, stainless steel, and hardfacing. The Company has 'BIS certification' for its Flux Cored products.

Q7. What is the status of the biotech business? What is your competitive edge? We have partnered with the Council of Scientific & Industrial Research (CSIR) to develop industrial bio-enzymes, securing access to microbial cultures for producing enzymes like cellulase, amylase, and glucoamylase. These enzymes enhance efficiency in bioethanol and biogas production.

Our exclusive partnership with CSIR gives us a competitive edge in developing sustainable enzyme technologies.

Q8. Have you identified the focus areas?

We are close to finalizing the biotech areas we plan to initially venture into, from among various possibilities. We see a significant opportunity in health & nutrition supplements. This market is still evolving in India, with strong growth potential when compared to the western world which in turn offers promising export business. Rising awareness and income stimulates human expenditure and better lifestyle.

Along with that, a state of the art fermentation facility offers a lot of flexibility, including CDMO (Contract, Development and Manufacturing Organization) business which holds a lot of potential.

We will be planning a 100% compliant facility with a lot of value addition and end-to-end support to our customers which will offer us many opportunities.

Q9.Whenwillbiotechrevenuesstart?We are targeting industrial enzymes for distilleries, focusing on cellulose degradation for
bioethanol production. While the market is competitive, government support for sustainability
and export opportunities offer significant growth potential. We see this as a promising venture

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with strong long-term prospects. It is challenging to establish a timeline for generating revenues, as the project is currently in the pilot phase.

Q10. How much capex has been allocated to biotech so far? As of now, we have invested INR 50 lakh, primarily for a pilot R&D facility in Nagpur, including basic equipment and advisor salaries.

Q11.Whatisyourlong-termgrowthstrategy?To mitigate risks associated with our cyclical core business, we have adopted a diversificationstrategy.By entering new industries, geographies, and product lines, we aim to enhancestability and unlock new growth opportunities.

Our transition from a steel consumable supplier to a diversified player in flux-cored wire and biotechnology enables us to balance investment-driven and consumption-driven sectors. This dual focus positions us to derisk the business and deliver sustained growth in shareholder value.

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