SARTHAK

An ISO 9001:2008 Certified Co.

CIN-U51102CT1995PLC009772

SARTHAK METALS LIMITED

(Formerly : Sarthak Metals Marketing Private Limited)

20th October, 2021

To,
The Manager,
Listing & Compliance,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Ref: Scrip Code - 540393

Subject: Investor Presentation 2021.

Dear Sir/Ma'am,

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

Thanking you,

For Sarthak Metals Limited,

P.Jain

SARTHAK METALS LIMITED BHILAI

Pratik Jain
Company Secretary & Compliance Officer

Encl. : As above

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Investor Presentation 2021

SARTHAK METALS LIMITED

Modern metallurgical solutions for fine tuning steel

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01

ABOUT

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Desraj Bansal Group

The ~400 crore* Desraj Bansal Group ("DB Group") is a leading business group with interests in the Metals and Energy sector. DB Group has 5 state-of-the-art fully-functional manufacturing facilities in Bhilai, Chhattisgarh, housed under 3 group entities.

05
MANUFACTURING FACILITIES

03
GROUP ENTITIES

SARTHAK METALS LIMITED

CORED WIRES & ALUMINUM FLIPPING COIL

10,000 TPA
CAPACITY FOR CORED WIRES

10,000 TPA
CAPACITY FOR ALUMINUM FLIPPING COILS

SARTHAK ENERGY (P) LIMITED

SOLAR ENERGY

02 MW
SOLAR POWER PLANT

BANSAL BROTHERS

FERROALLOYS

6,000 TPA
CAPACITY FOR FERROALLOYS

*Provisional figure

!"#$%"&' ( )$"*+' Snapshot

Sarthak Metals Limited ("Sarthak") part of the Desraj Bansal Group is India's leading manufacturer and exporter of Cored Wires and Aluminium Flipping Coils that find application in the metallurgical industry. Being an experienced and quality conscious manufacturer, Sarthak is the preferred supplier for these products to some of India’s largest steel units.

Headquarter in Bhilai, Chhattisgarh, 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.

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AMONGST THE LEADING CORED WIRE MANUFACTURERS IN INDIA

./00'12324

PART OF THE ~400 CRORE* DB GROUP

506000789

CAPACITY FOR CORED WIRES

506000789

CAPACITY FOR ALUMINUM FLIPPING COILS

:00;

COMMITTED WORKFORCE

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ACTIVE CLIENTS

*Provisional figure

Milestones

1995

Incorporated in 1995 with an industrial gases unit producing industrial oxygen and carbon dioxide catering to industries units in its vicinity

2002

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

2008

Commenced production of Aluminium flipping coils with its first mill built in-house

2012

Started manufacturing cored wire feeder machines

2017

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

2018

Started producing Aluminium wire rods (backward integration)

2020

Cross 200 crores sales benchmark

Product Categories

The Company has two primary product categories i.e., Cored Wires and Aluminium Flipping Coils. In addition, the Company also produces Cored Wire Feeder Machines.

Cored Wires

- 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 function of Aluminium wire is de-oxidising, grain refining, nitride forming and alloying of steel.

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.

Infrastructure

- The Company has two state-of-the-art manufacturing facilities in Bhilai, Chhattisgarh
- Strategically located in proximity to many clients
- Cumulative ~2,50,000 sq. ft. plot area, with land availability for future expansions
- 4 lines for manufacturing cored wires and 2 lines for Aluminium flipping coils, built in-house specific to the Company's needs
- Equipped with sophisticated machinery and testing equipment's
- ISO 9001:2008 certified unit
- Equipped with a fully-functional chemical lab, and atomic absorption spectrophotometer for testing and QC of raw materials & finished products

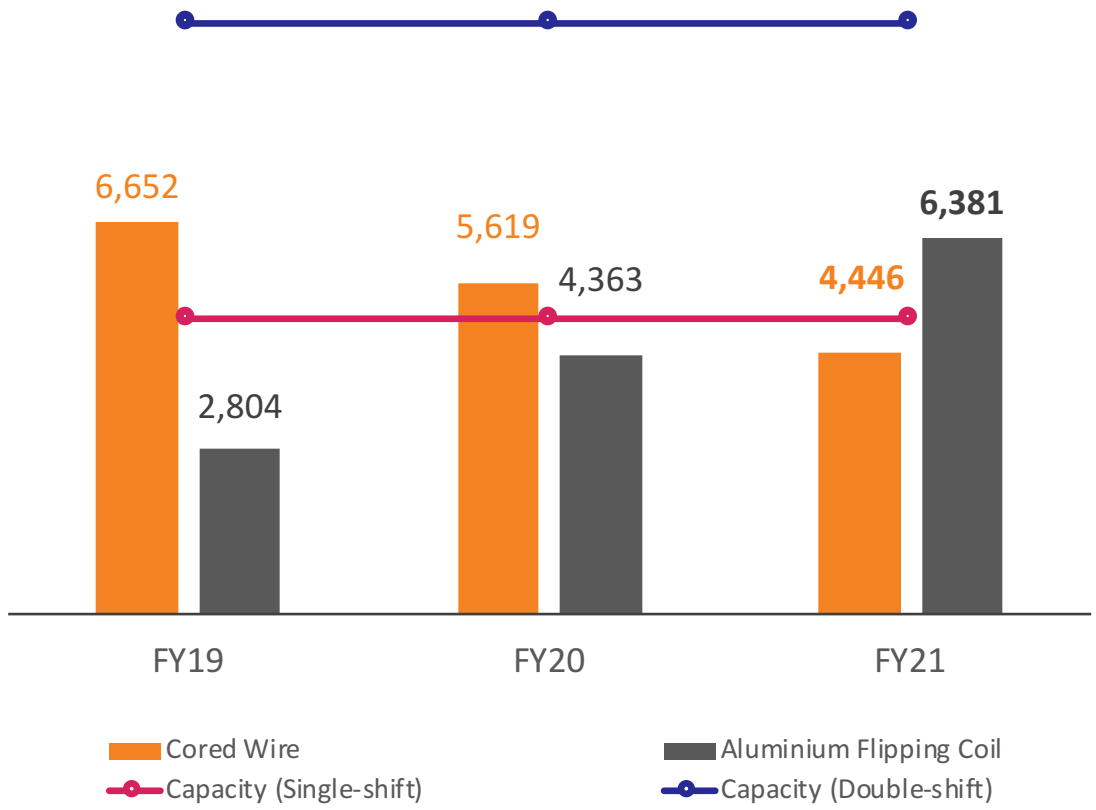
Manufacturing Capacity (double-shift)

10,000 TPA
CORED WIRES

10,000 TPA
Aluminium FLIPPING COILS

Capacity Utilization

(IN TPA)



Clients

Domestic

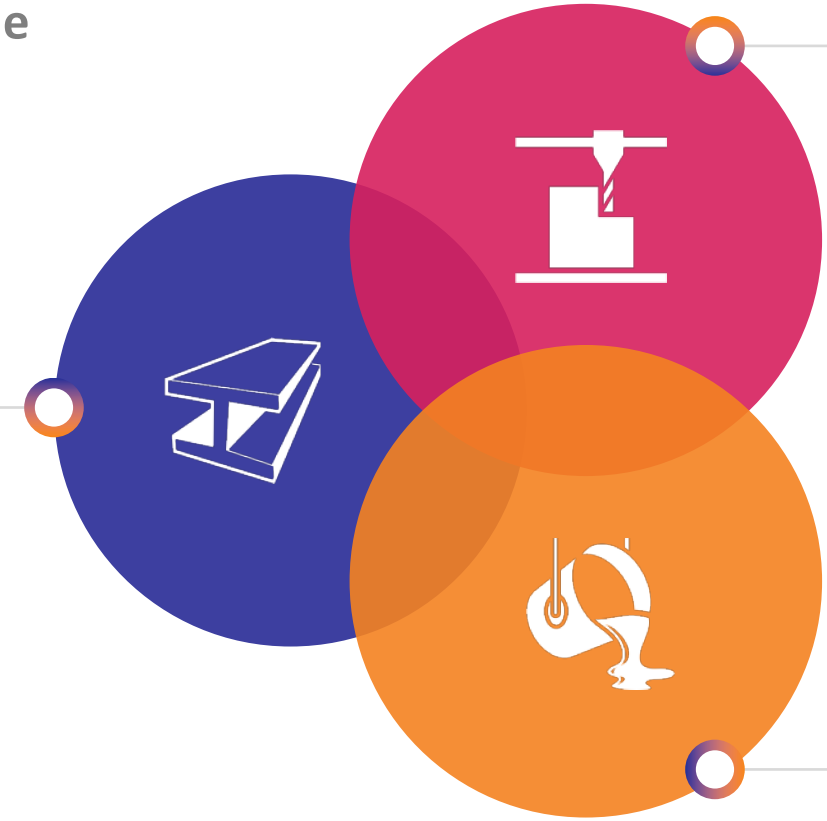
TATA STEEL	JSW	JINDAL STEEL & POWER	
JSL JINDAL STAINLESS	VIZAG STEEL Pride of Steel	usha martin	Aarti International
NECO	MUKAND Infinite resolve	ISMT LIMITED Solutions You Can Trust	ARORA IRON & STEEL THE STEEL MASTERS

Exports

İSDEMİR	GERDAU
GMR	SHADEED IRON & STEEL CO. LLC
CMC Commercial Metals	Y.H Trading Company

Clients (Contd.)

Customer Profile



20
10 YEAR+ RELATIONSHIPS

05
5 YEAR+ RELATIONSHIPS

35%
TOP 5 CLIENTS
SALES CONTRIBUTION

~85%
REPEAT BUSINESS

Warehousing Capabilities

- Equipped with state-of-the-art warehousing capabilities
- Ensuring uninterrupted and reliable supply of metallurgical solution to our clients
- Establishing Sarthak's as a preferred supplier with leading Indian steel mills

Cored Wires

- **1,500 Sq. Mt.** material storage space for Cored Wires
- Sufficient to stock **2,000+ tonnes** of material, equivalent to **3 months** buffer
- Sufficient space to stock finished products as well

Aluminium Flipping Coils

- **2,800 Sq. Mt.** material storage space for Aluminium Flipping Coil
- Sufficient to stock **4,000+ tonnes** of material, equivalent to **4 months** buffer
- Sufficient space to stock finished products as well

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

CHAIRMAN & NON-EXECUTIVE, NON-INDEPENDENT DIRECTOR

Mr Agarwal is the Chairman of the board and a Non-Executive Director in the Company. He 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.

Ms Rama Kohli

NON-EXECUTIVE, INDEPENDENT WOMAN DIRECTOR

Ms Rama Kohli is a Non-Executive and Independent Director of the Company. She 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 is a Non-Executive and Independent Director of the Company. He 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 is a Non-Executive and Independent Director of the Company. He 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.

02

STRATEGIC DRIVERS

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Investment Thesis

Industry tailwinds

Indian steel industry is expected to register healthy volume growth, with growing capacity utilizations and addition of new capacities on back on growing domestic & international demand. This bodes well for our Cored Wire business.

Expansion – Aluminum flipping coils

The Company is planning to expand capacity of this vertical with installation of a new furnace within the coming 12 months, that will expand capacity by 50%.

Ramp-up – Cored wires

Ramping up operations of Cored wires by cornering higher market share and leveraging the growing crude steel production in India.

Export opportunities

Getting export growth back on track by adding newer markets, while growing in existing markets.

Integration in value-chain and Diversification

Evaluating opportunities in the value-chain, that will aid in growth and margin expansion.
In addition, the Company is exploring diversification opportunities in adjacent categories.

Healthy financial performance

Operating leverage in profitability margins is expected to kick in with growing scale of operations. The Company expects to maintain healthy dividend payouts on the back of growing profitability.

Strengths and Weakness

STRENGTHS

- Among the leading players in metallurgical cored wires
- Strategically located facilities
- Strong clientele with India's leading steel players
- Long standing track record as a consistent, quality solution provider
- Experienced promoters and strong parentage of the Group
- 2nd generation management driving newer segments and exploring ideas for expansion in adjacent categories

WEAKNESS

- Fragmented market
- Cyclicality of the steel industry
- Working capital intensive operations

Business Canvas

Key Partnerships

- Cordial relationships with suppliers

Key Activities

- Manufacturing
- Sales & marketing
- Purchase planning

Key Resources

- State-of-the-art manufacturing setup

Value Proposition

- Quality products for metallurgical industry as per client specifications
- Cored wires
- Aluminum flipping coils
- Cored wire machines

Customer Relationships

- Long standing customer relations based on trust & quality

Channels

- Directly engaged with all the customers

Customer Segmentation

- Steel plants
- Fabrication units
- Foundries

03

FINANCIAL SUMMARY

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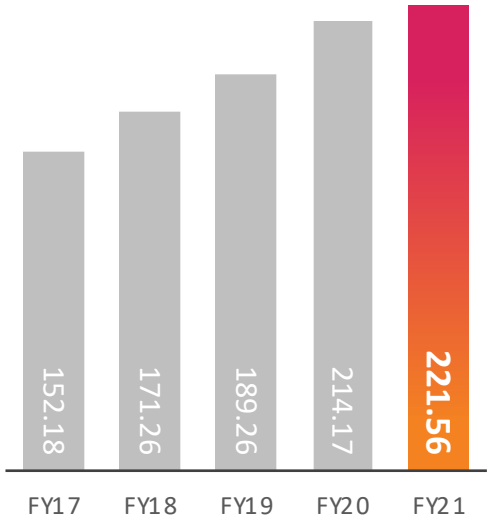
5 Years Summary

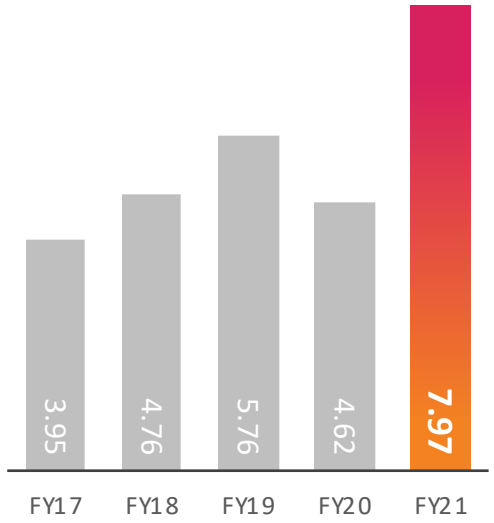
Revenue from Operations

(₹ IN CRORES)



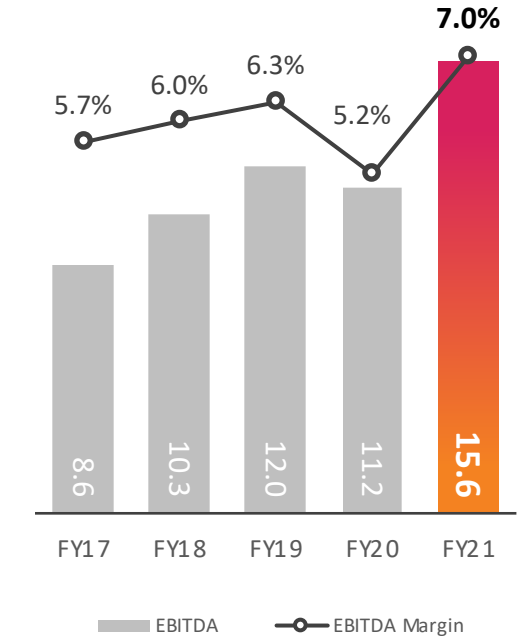
Profit After Tax

(₹ IN CRORES)



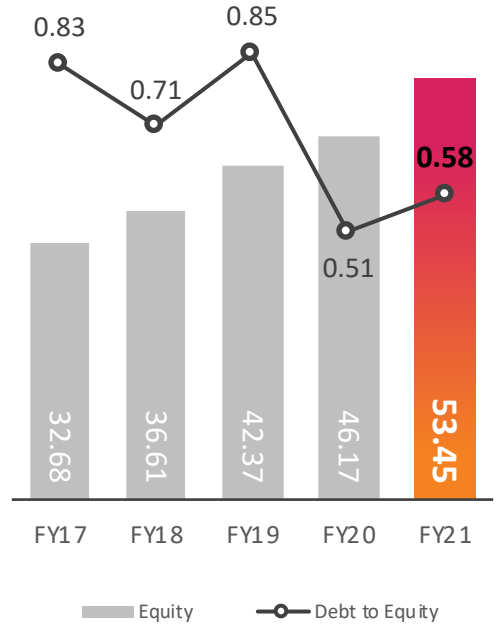
EBITDA & EBITDA Margins

(₹ IN CRORES & IN %)



Equity & Debt to Equity

(₹ IN CRORES & TIMES)



P&L Summary

PARTICULARS (₹ IN CRORES)	FY17	FY18	FY19	FY20	FY21
Revenue from Operations	**152.18**	**171.26**	**189.26**	**214.17**	**221.56**
Total Income	153.87	172.90	190.83	215.26	222.08
Operating Expenses	143.57	160.95	177.27	202.93	205.96
EBITDA	**8.61**	**10.31**	**12.00**	**11.24**	**15.60**
EBITDA %	**5.7%**	**6.0%**	**6.3%**	**5.2%**	**7.0%**
Finance Cost	3.38	3.46	3.87	3.63	3.30
Depreciation & Ammortization	1.06	1.35	1.58	2.25	2.10
PBT	5.87	7.14	8.11	6.46	10.72
PAT	**3.95**	**4.76**	**5.76**	**4.62**	**7.97**
EPS (₹)	3.26	3.47	4.21	3.38	5.82

*Shareholding data as of September 2021

Balance Sheet
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PARTICULARS 23,04,5(6(.!7	FY17	FY18	FY19	FY20	FY21
Shareholders' Funds	**32.68**	**36.61**	**42.37**	**46.17**	**53.45**
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)%$P;,Q$&$>?;@	LBFE	LBDF	FBNM	FBGH	LBCD
Total Equity and Liabilities	**62.74**	**65.14**	**83.84**	**76.26**	**91.45**
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5$@O,U,J$9V,J$?$9T;@	GBDL	ABMF	FBEN	ABCG	FBNM
Total Assets	**61.99**	**65.14**	**83.84**	**76.26**	**91.45**

Cash Flow Summary

PARTICULARS (₹ IN CRORES)	FY17	FY18	FY19	FY20	FY21
Cash from Operating Activities	**4.10**	**0.04**	**1.14**	**17.14**	**(0.56)**
Cash from Investing Activities	(2.21)	(1.52)	(6.12)	(2.61)	(1.32)
Cash from Financing Activities	5.50	(5.78)	6.89	(16.79)	4.05
Net Cash Flow	7.39	(7.27)	1.91	(2.26)	2.17
Cash at the Beginning of Year	1.51	8.90	1.63	3.54	1.28
Cash at the End of Year	8.90	1.63	3.54	1.28	3.46

Market
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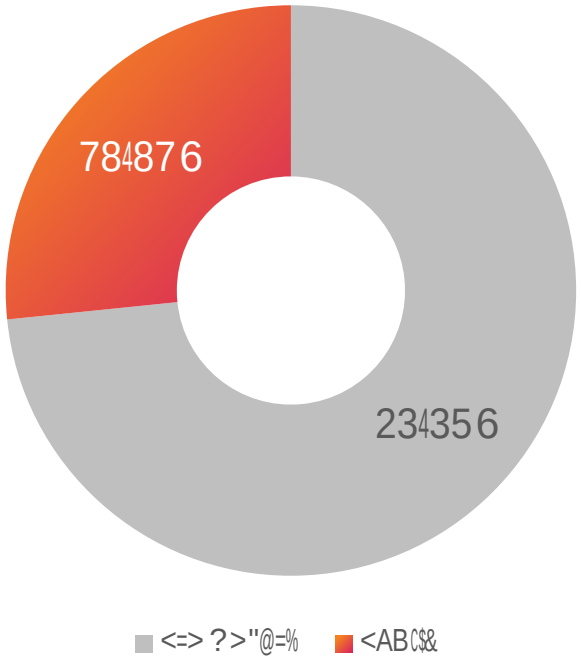

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Current Market Price	**₹72.5**
52 Week High/Low	**₹84.9 / ₹15.2**
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BSE Scrip Code	**540393**

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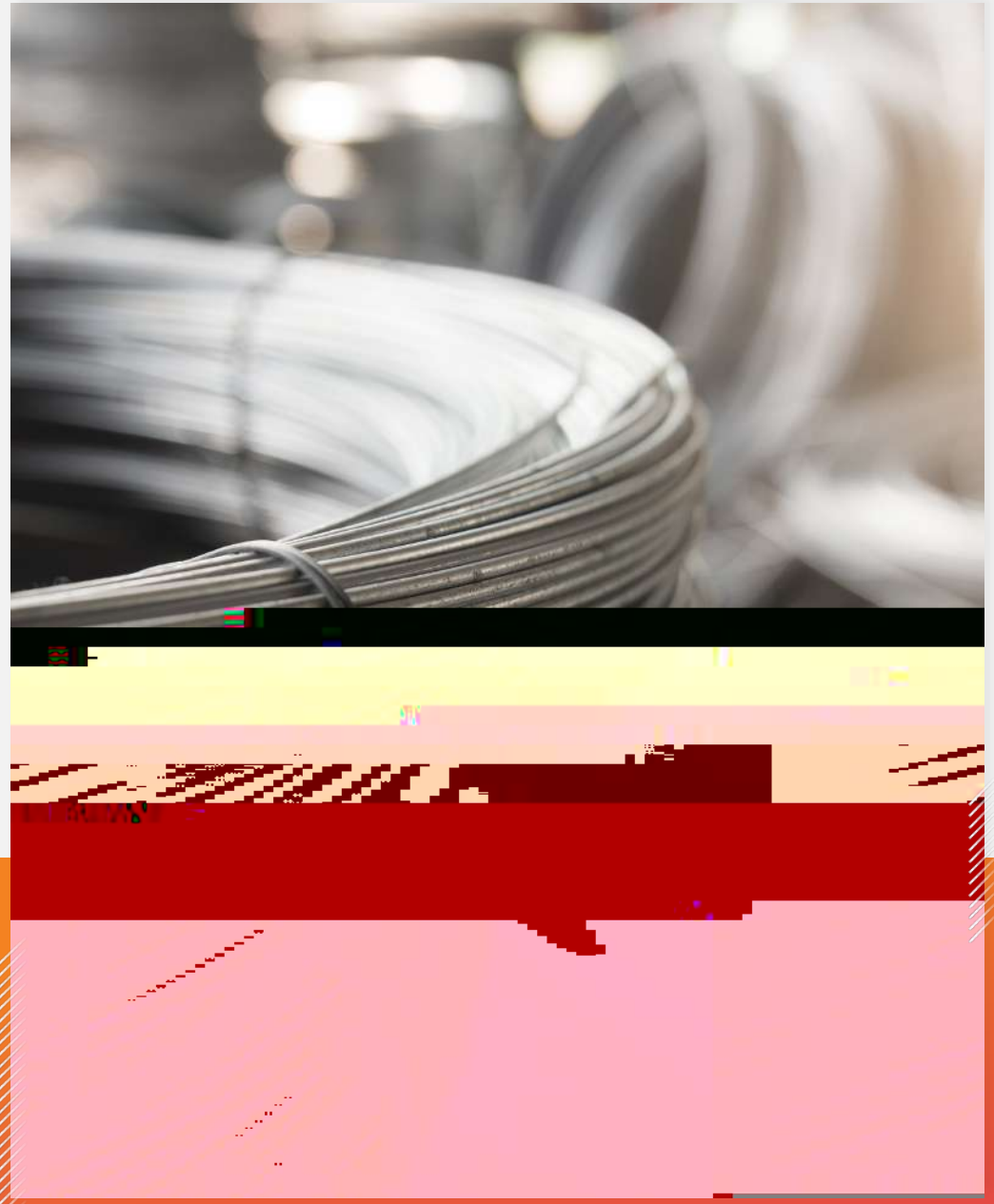

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SAFE HARBOR

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