



RATHI STEEL AND POWER LTD.

STAINLESS STEEL SOLUTIONS FOR A SUSTAINABLE TOMORROW



RSPL/BSE/2024-25/
May 31, 2024

To,
The Manager
Corporate Relationship Department
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

BSE Script Code : 504903

Sub: Rathi Steel and Power Limited announced Financial Results for FY24

Dear Sir / Madam,

Please find attached Media Release regarding announcement of audited financial results for FY24.

Thanking you.

For Rathi Steel and Power Limited

Prem Narain Varshney
Managing Director

New Delhi



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Media Release

FY24 Total Revenue at Rs 492.8 crore and EBIDTA at Rs 20.8 crore

Achieves major financial turnaround in FY24

Turns debt free

Successfully completes fund raise to fuel growth

31st May 2024: – Rathi Steel And Power Limited (BSE: 504903), among fast growing stainless steel manufacturers in India, announced their audited financial performance for the fourth quarter and financial year ended March 31, 2024.

Key Performance Highlights for the Financial Year ended March 31st, 2024:

- **Revenue for the full year was Rs. 492.83 crore** in FY24, YoY decrease of 32.17% mainly on account of a strategic and conscious decision to shift focus to manufacturing from trading business
- **EBITDA** (excluding other income) was at **Rs. 20.79 crore** for FY24, **EBITDA Margin** was **4.22%** for FY24
- **PAT** for the year was **Rs. 23.53 crore**, while **PAT Margin** stood at **4.78%**

Key Highlights & Achievements of the Year

- FY24 has been a year of **major turnaround for Rathi** – in terms of financial health, balance sheet, banking relationships and overall strategy and business operations
- In recent years, Company witnessed headwinds from various factors including Chinese imports, pressure on mining activities causing raw material issues, and macro-economic factors hampering their Odisha plant
- However, through a restructuring plan, the Company achieved a **fully debt free** position as on March 2024
- **Fund Raise** to support growth:
 - Rathi successfully raised funds worth Rs. 114.7 crores through **preferential allotment**. The proceeds have been deployed towards repaying high-cost debt, scaling up operations and modernizing projects.
 - Company also raised funds (Rs. 43.5 crores) from Kotak Mahindra Bank through OD and term loan, to facilitate working capital, operational flexibility and optimize volume efficiencies



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- **Strategic Focus Areas** to boost operational performance:
 - Focus on high-margin value-added stainless steel products – Used internal accruals for capex to enhance capacities for these products at Ghaziabad plant
 - Initiatives to optimize production levels and achieve cost-cutting and debottlenecking
 - Optimize product mix to grow share of value-added products at Ghaziabad plant

Strategy Ahead:

- Focus on stainless steel products – enhance capacity as well as utilization levels while maintaining lean cost-structure
- The fund raise and debt resolution has strengthened the balance sheet and positions the Company to leverage the headroom for growth in the market – Rathi commands a substantial market share in Northern India for long stainless steel
- Company aims to leverage its broad product portfolio and cater to diverse range of sectors
- Utilize retail network to push SS rebar and B2B for value-added products
- Company to increase capacity utilization at existing plant. Infrastructure is strong enough for further capacity expansion at minimal capex cost, should the need arise based on anticipated demand

Key Recent Developments:

- Capacity utilization being gradually ramped up
- In May 2024, Rathi commenced a Cost Optimization Project to synchronize its steel casting and rolling process across all major equipment, to reduce fuel/scale loss
- In April 2024, the Company completed the modernization of its Wire Rod Mill, and commenced commercial production from the same. This has improved product acceptability.
- In April 2024, Rathi re-initiated banking relationships via fund-raise with Kotak Mahindra, after becoming debt-free, with focus on prudent financial management.

Management Comments:

Commenting on the performance, **Mr. Udit Rathi, Promoter of Rathi Steel & Power Ltd. said:**

"I am glad to say that FY24 has been a year of transformation and turnaround for Rathi. Following a period of headwinds from various macro-factors, we have demonstrated resilience in navigating through challenges and have come out strong.

We are proud to say that this is Rathi 2.0 – a strong, positive net worth, minimally leveraged steel Company, poised to leverage its strengths to capture upcoming market opportunities. We believe there is immense headroom for growth, and our recent fund raise activity places us in an optimal position to capitalize on the growing market. In fact, we recently re-initiated our banking relationship through a fund-raise with Kotak Mahindra Bank, and we are focused on judiciously utilizing our capital.



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We are strategically improvising on our product portfolio by focusing on value-added products to drive sustained profitability and shall explore capacity expansions based on the demand scenario. We aim to expand our portfolio of stainless products which fetch higher realizations and are of superior quality than its alternatives. Moreover, we can leverage our existing capacities at minimal additional cost for this.

Overall, we have entered the new fiscal year on a strong footing. I would like to thank all our stakeholders, employees, banks and partners for their support. Without them, this prolific turnaround would not have been possible. Together, we continue to strive to achieve new heights of success, while creating sustainable value for all our stakeholders”

Company Overview

Incorporated in 1971, Rathi Steel and Power Limited manufactures and supplies steel and steel related products. The Company specializes in stainless steel products like Wire Rods, Billets, Flats etc., which are primarily used in Infrastructure, Engineering, Household applications. Rathi operates a plant in Ghaziabad, UP, with an installed rolling capacity of 2,00,000 tons per annum. The Company also operates a steel melting shop with installed capacity of over 90,000 tons per annum to manufacture stainless steel billets.

BSE Script Code: 504903

For more details please visit: <http://www.rathisteelandpower.com/>

For further information please contact:

Rathi Steel and Power Limited

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Note: *Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*