

Date: 12/11/2022

<p>To, The Manager, Listing & Compliance, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.</p> <p><u>Ref: Scrip Code - 540393</u></p>	<p>To, Listing Department, National Stock Exchange of India Limited, C-1, G-Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051</p> <p><u>Ref: Scrip Symbol - SMLT</u></p>
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Subject: Press and Media release.

Dear Sir/Ma'am,

Pursuant to Regulation 30 (6) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are enclosing herewith press and media release of the Company. The said release 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

Pratik Jain
Digitally signed
by Pratik Jain
Date: 2022.11.12
16:35:38 +05'30'

Pratik Jain
Company Secretary and Compliance Officer

Encl. as above.

Sarthak Metals Limited announced its Q2FY23 Results

**Revenue from Operations stood at ₹101 Crores,
EBITDA at ₹11 Crores and PAT at ₹8 Crores.**

Bhilai, November 11, 2022: Sarthak Metals Limited, one of India's leading manufacturer of cored wires and aluminium flipping coils, that find application in the metallurgical industry, has announced its financial results for the quarter ended September 30th, 2022.

Standalone Financial Highlights for quarter ended September 30th, 2022:

- **Revenue from Operations** stood at **₹ 101.3 Crore** in Q2FY23, a decrease of 6% YoY and 24% sequentially.
- **EBITDA** (excluding Other Income) stood at **₹ 11.2 Crores** in Q2FY23, an increase of 47% YoY and 3% sequentially.
- **EBITDA Margins** stood at **11.1%** in Q2FY23, compared to 8.2% in Q1FY23 and 7.1% in Q2FY22.
- **Net Profit** stood at **₹ 7.8 Crores** in Q2FY23, an increase of 60% YoY and a decrease of 9% sequentially.

Commenting on the Q2FY23 performance, Sanjay Shah, Executive Director, said:

"The adverse effects of the Government of India's notification of an increase in export duty on various metals and minerals, and its subsequent effect on steel manufacturing industry has continued in Q2, after a sluggish Q1. A challenging domestic environment coupled with significantly muted exports led to a slower offtake of Cored Wire volumes, which witnessed a drop in both YoY and QoQ. Keeping in mind the challenging operating environment & slower volume offtake, the Company shifted its focus to niche products within the Cored Wire category that led to significantly better realisations & margins and allowed for good profitability in Q2FY23. Steel industry's current operating environment remains dynamic, and the Company is constantly evaluating the situation to fare over this turbulent time.

On the Aluminium Flipping Coil front, volumes witnessed a decrease of 12% with marginally lower realisations. As our Aluminium Flipping Coils have significant metallurgical applications, the external operating environment remained similar to that of Cored Wires. On the expansion front, the Company installed and commissioned its third furnace for Aluminium Flipping coils, as the demand situation improves the new furnace will be available to cater higher throughput. Our Revenue from Operations for Q2FY23 stood at 101.3 Crore, down 6% YoY and 24% QoQ. However, a change in strategy towards a higher share of niche products allowed for better EBITDA margins of 11.1%, compared to 8.2% in Q1FY23 and 7.1% in Q2FY22. Our PAT for the quarter stood at 7.8 Crores, an increase of 60% YoY and a decrease of 9% QoQ.

Another investment approved by the Board is of installing a rooftop solar plant at its manufacturing facility with a capacity of 335.88 kWp. which will help us in reducing our energy cost to the tune of 30 Lakhs annually. Apart from streamlining costs & introducing efficiencies, this project is also a step towards imbibing sustainability in our day-to-day operations.

Our longer-term outlook remains firm on the back of incremental capacities being commissioned by our clients, and our solid industry positioning."

About Sarthak Metals Limited

Sarthak Metals Limited is a part of the Desraj Bansal Group of Companies, which is a leading business group with interests in the Metals and Energy sector. Certified with ISO 9001-2015, Sarthak is India's leading manufacturer and exporter of Cored Wires and Aluminium Flipping Coils, that find application in the metallurgical industry. Sarthak provides products and solutions targeted to attain precise metallurgy of steel. The Company's focus on rigorous testing and inspection processes enables it to manufacture products conforming to the highest standards of accuracy, consistency and quality. Sarthak's 25+ years of experience and expertise, along with its quality consciousness, makes it the preferred supplier to some of India's largest steel units for these products.

The Company is headquartered at Bhilai, Chhattisgarh with state-of-the-art facilities and is also strategically located in close proximity to a critical steel hub in India, supported by a marketing office in Nagpur. Sarthak's success in the domestic market led it to pursue exports, and today it delivers quality products to 30+ clients across the globe. Some of its prominent clients in India are Tata Steel, JSW Steel, SAIL, while it serves global clients such as Isdemir and Gerdaul among others.

For more information, contact us:

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Safe Harbour

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Sarthak Metals Limited 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.