

Date: 03/06/2024

<p>To, The Manager, Listing &amp; 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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**Sub: Transcript of Earnings Call for Q4 FY 2023-24.**

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find attached herewith the transcript of the Earnings Call on Audited Financial Results of the Company for the quarter and Year ended March 31, 2024, held on 31<sup>st</sup> May, 2024 (Thursday) at 03:00 P.M. (IST).

The transcript is uploaded on company's website as well on below link:

<http://sarthakmetals.com/investors-earningscall.aspx?mpgid=24>

The above is for your information and dissemination.

Thanking You,  
Yours faithfully,  
For, Sarthak Metals Limited

**Pratik Jain**  
Company Secretary & Compliance Officer

Encl. as above.

# Sarthak Metals Ltd (SMLT)

Q4 2024 Earnings Conference Call

May 31, 2024 • 03:00 pm (IST)

**Final Transcript**

# Corporate Participants

## Sagar Shah

Vice President and Part of the Promoter Group | Sarthak Metals Limited

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# Conference Call Participants

## Radhakrishnan Chonat

Director Of Business | AlphaStreet

## Narendra Khuthia

Analyst | RoboCapital

## Rajesh Mangal Agrawal

Analyst | Rajesh Mangal & Co.

# Presentation

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**Radhakrishnan Chonat**

Director Of Business | AlphaStreet

Good afternoon, ladies and gentlemen, and welcome to the Q4 FY '23-'24 Earnings Call of Sarthak Metals Limited hosted by AlphaStreet.

This is Radhakrishnan Chonat from AlphaStreet and it's an absolute pleasure to host Sarthak Metals Limited for their quarterly earnings results conference call. From the management side, we have Mr. Sagar Shah, Vice President and also Part of the Promoter Group.

Ladies and gentlemen, as a reminder, today's call is being recorded. For professional investors, we are live-streaming this audio along with the live-streamed transcript on our [alphastreet.com](https://alphastreet.com) platform. A replay audio of this call will be made available on [alphastreet.com](https://alphastreet.com) as well as on our AlphaStreet India YouTube channel. A final transcript will be made available shortly afterwards on AlphaStreet's platform.

Now before we begin, let me read the forward-looking statements and disclaimers. Certain statements in this call 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 subject to certain risks and uncertainties like government actions, local, political, or economic developments, technological risks, and many other factors that could cause the actual results to differ materially from those contemplated by the relevant 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.

With that said, may I now request Mr. Sagar Shah to take you through the presentation. Post that, we can start with the Q&A session. Over to you, Mr. Sagar.



**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Yeah, hi. Thank you. Thank you, Radhakrishnan, and thanks everyone for joining our call. Some of you have been attending our earnings call regularly and I am glad you could join for this quarterly

call as well.

Okay. So, before we discuss the FY '24 results, let us take a few steps backward and talk about our incredible 30-year-long business journey; the journey that survived economic downturns like wars and oil supply shocks, even global financial crisis, inflation and COVID pandemic, to emerge as a strong market leader in the business of niche steel consumables.

Our investors should be glad to know that we made a profit in every single year of our operation. A sharp drop in profits of steel majors do not necessarily mean a similar profitability hit for Sarthak Metals. Our revenues and profit might have remained subdued in the last year but the business model is resilient to provide comfort for long-term investors.

Talking about our investors, they have, in fact, reasons to be delighted. Along with regular dividends, our share price appreciation has handsomely rewarded them since our listing in the main board. While the share prices have pulled back in recent times, we sincerely believe that there is lots to come.

Our investor community has been growing leaps and bounds over the years, emphasizing the growing faith of investors in our businesses. From just under 2,500 investors at the time of listing in November 2021, today we have close to 11,000 investors, including some HNIs from India and abroad.

Now before we move on to discuss the Q4 results, I would like to take you back in time when we began our journey in a humble way in 1995 when we sold industrial oxygen unit in the vicinity of Bhilai.

In 2002, we took some brave steps, sensing potential in the Indian economy and its crying need for steel to bolster its future. With a lot of conviction, we set up our first cored wire mill catering to the metallurgical industry; that too in the period of downturn. Our timing could not have been better as the economy clocked 8% growth rates after that for many years and we grew along with it.

Cored wires are a product of wire injection technology of steels whereby steel tubes are filled with various alloys and injected into the molten metal for uniform and homogenous mixing. They are an indispensable part of steel treatment today. Over the years, we have built strong relationships with major steel manufacturers in the country and garnered 30%-plus market share in the country from our 11 products. We currently have capacity to produce 10,000 tonnes per annum.

Emboldened by our success in cored wires, we diversified our product into trading aluminum

flipping coils in 2008 and manufacturing later in 2018. Aluminum flipping coils are used in the steel manufacturing process for de-oxidizing and also act as an alloy for making specialized steel. Over the years, we have won the confidence of major steel producers. Today, we have a capacity to produce 15,000 tonnes annually and are market leaders in both cored wire and aluminum flipping coils.

The year 2017 marked a significant milestone for us when we successfully listed on the BSE SME platform by raising funds through an IPO. With your support and encouragement, within a span of four years, we transitioned to the main board platform of BSE and NSE.

With our core business of cored wire and aluminum flipping coils strategically well placed with sufficient moats, we started scouting for other products in 2023 for the long-term sustainable growth of the company. That is when we saw a big import substitution opportunity in the flux cored wire business, the first product category for the company beyond metallurgy. Flux Core Arc Welding is a type of welding process finding applications in fabrication workshops, construction, shipbuilding and many other promising industries.

With encouraging initial results, we recently increased our production capacity by 3 times. We now have capacity to produce oddly 2,500 tonnes of flux cored wires with provision to ramp it up to 10,000 tonnes from additional lines. This is a INR300 crore to INR400 crore market size in India growing at a rapid clip.

Historically, we have managed capital prudently, benefiting investors from our superior return on capital and equity ratios. In our quest to continue doing that, in 2024, we announced entry into the lucrative biotechnology sector. We ventured into it after a lot of background study. A pilot plant study facility has been now put up in Nagpur for our continuous R&D in this field and rapid technology adoption.

We have identified a big opportunity in the industrial enzymes and allied healthcare nutrition and dietary supplements. It shows immense potential as it is very scarcely penetrated in the Indian market as of now and the government is also very keen on the sector to drive towards a more sustainable future. Besides, there is a tremendous export potential in the global enzymes market. Our mission going forward is to build a technological-driven division for our company, which holds the potential to become the headline for the company in the future.

Now coming to the specifics in Q4. The Indian steel industry continue to face challenges. Chinese steel producers have been exporting steel to India and other countries to counter poor domestic demand, which in turn has reduced steel prices in India. India, as a result, has become a net

importer of steel in FY '24 as against being a net exporter a year before.

In the face of a continuing challenging environment, we managed to slightly improve our margins during the fourth quarter of 2023 and 2024 as compared to a quarter back. The silver lining is that prices of different ferro-alloys are now moving up. In fact, in the month of April itself, the commodity prices have moved up almost 20%. Steel demand from the auto and infrastructure industry remains strong as well.

In terms of key products, the Cored Wires segment witnessed increasing competition, but the overall industry dynamics remain strong. Our strategy in the cored wire business continues to be to gain market share in high-value high-margin products.

Our other product, the Aluminum Flipping Coil, showed a subdued performance during the fourth quarter. Due to supply chain disruptions, our costs went up, which could not be fully covered from our sales. However, we expect it to be a temporary phenomena. Demand is strong but its margins are likely to be affected in future if the shortage of scrap continues. Kenya has recently banned export of scrap, which will continue to put pressure on global secondary aluminum availability.

In the new business of flux cored wire, the fourth quarter of FY '24 was in line with our expectations. We managed to gain more customers in our grade of carbon steel fabrication while actively looking at newer grades for other application areas. The fabrication industry looks very promising and our brand boasts superior quality and service resulting in increasing market share.

As mentioned earlier, we have increased our production capacity 3 times, which will start reflecting in revenues from the second quarter of FY '25. We are confident in building a customer base to achieve a total revenue of approximately INR10 crores in FY '25 and potentially increase it to INR100 crores by FY '28.

In the Biotechnology division, the pilot facility put up at Nagpur recently is functioning well and our R&D activities are quite efficient. We are working on interesting biotechnology applications like for water treatment, alternative energy and health and hygiene. It is going to be interesting to implement some technologies in these areas. We are likely to start clocking revenues in this division from second half of FY '25.

Even in the face of a challenging industry environment, our core business has stood as a pillar of strength. It has stood the test of time, reporting profits across multiple business cycles and tough environments.

With India, aiming to triple its domestic steel production to 500 million tonnes a year by 2047, long-

term growth in our core business is expected to be steady. At the overall level, cored wire and aluminum flipping coil will continue to grow at industry rates while new businesses provide additional kickers.

While business environments will continue to get better or worse, we would continue in our effort to create maximum shareholder value through sustainable and robust business strategies as we have done in the last 30 years of operations.

With this, I conclude my talk and throw open the forum for questions. Thank you.

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## Questions and Answers

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**Radhakrishnan Chonat**  
Director Of Business | AlphaStreet

Thank you, Mr. Sagar. We'll now move into our question-and-answer session. Today, we have participants joining via the Zoom webinar platform and also via our tele-calling platform. Now participants who have joined us and connected via the Zoom platform can also pose their questions directly to me on the chat box and we'll ask the questions on your behalf. Alternatively, if you wish to ask a question directly, kindly use the Raise Hand functionality.

I'll take the first few questions that we have received from the chat box as well as questions we have received via email earlier and through our AlphaStreet platform and then we'll open it up for participants to ask questions directly. Once again, as a reminder, ladies and gentlemen, please use the Raise Hand functionality if you would want to ask a question directly.

Let me start with the questions that we have received via chat and email first. The first question is, can you explain the factors behind the 12.5% year-over-year decline in total revenue for Q4, especially in the Cored Wired and Aluminum segments? What actions are you taking to address these issues in the upcoming quarters?



**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Okay. So there are three things that I can realize. One is increasing competition; second is dip in realization for sure; and overall subdued demand. One reason being, since it was the end of financial year, the quarter four, it is generally seen as a lower inventory time period for our customers, and secondly the flow of imported steel has put pressure on domestic steel production which is why we've seen a dip in the revenue.



**Radhakrishnan Chonat**  
Director Of Business | AlphaStreet

Thank you, Sagar. The next question is, how has Sarthak Metals benefited from industry consolidation in the cored wires market to improve gross margins and strengthen its market

position?

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**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Being the pioneers in the industry, our company is known for its service and quality. Today, the relationship we hold with our clients is unparalleled when compared to the peer companies and that gives us the pricing power to improve -- it help us to improve our margins and increase market share where its required.

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**Radhakrishnan Chonat**

Director Of Business | AlphaStreet

Thank you. The next question via the chat window is, can you discuss your strategic partnerships with larger steel companies and how these have helped secure steady demand and improve the pricing power?

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**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Sure. So, having a constant presence of our technicians in the shop floor of steel processing units gives us an inside look of the industry and helps us strengthen our relationship with key managerial authorities, which often helps us with steady flow of orders, which in turn helps us in pricing power.

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**Radhakrishnan Chonat**

Director Of Business | AlphaStreet

Thank you, Sagar. Next question we have received is, what is the current utilization rate of your core business segments, and what strategies are in place to boost it for optimal revenue generation?

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**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

We are currently at 50, 60-odd percentage utilization rate of our core business segments. To optimize this utilization rate, I feel right place, being in -- being at the right time is the only way to boost the utilization with having no negative and only positive impact on the margin profile because, as a company, we've always believed in keeping our margin profile intact.

**Radhakrishnan Chonat**

Director Of Business | AlphaStreet

Thank you, Sagar. We have a couple more questions coming in as well as I see a few raised hands. Let's finish the chat questions and then we'll come to you. Ladies and gentlemen, as a reminder, if you want to ask a question directly, please use the Raise Hand functionality.

The next question is, regarding industrial enzymes, which specific applications in this market show the most promise, and what drives this potential? How does the company intend to capture market share in these areas?

**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

The most promising area is definitely biofuel and alternate energy. We are already in collaboration with reputed government technology center, which gives us a strong credibility to enter this segment. Along with it, our growing interest in the field of biotechnology is opening doors for more avenues to look at, like water treatment is one area we are highly interested in, animal and human health and home care segment.

**Radhakrishnan Chonat**

Director Of Business | AlphaStreet

Thank you. Next one is, can you outline the strategy for entering the nutraceuticals market? What are the primary product categories being focused on, and how are market trends supporting this direction?

**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Market trends are definitely supporting this direction because the growing awareness of healthy life is directly benefiting the nutraceuticals market. We have onboard with us some key personnel having vast experience in the field of food technology. We have a fair idea of how to play along with functional and health ingredients, which hold a lot of importance in the nutraceutical market. We don't have anything specific product in mind right now but we are working on it.

**Radhakrishnan Chonat**

Director Of Business | AlphaStreet

Thank you, Sagar. We have a few more chat questions. The next one is, what are the main risks currently affecting Sarthak Metals' operation and its supply chain, and what measures have been enacted to ensure continuous business operations?

**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

So main risks are coming from the aluminum sector. Competition is growing rapidly, but more than that, what is affecting our daily activity is the much disrupted supply chain of secondary aluminum, which is our main raw material and the growing unethical approach of the different category players in this commodity sector. This poses some level of challenge in the near term.

**Radhakrishnan Chonat**

Director Of Business | AlphaStreet

Thank you. The next question is, looking forward, what are the key strategic priorities and growth targets for Sarthak Metals in the medium to long-term? And how does the company plan to seize emerging opportunities in the dynamic markets it operates within?

**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Okay. Company, as you know, is a proxy to the infrastructure growth story of the country. Rising steel demand will help us grow our core business steadily, provided the challenges, as mentioned earlier, are temporary. Along with it, we have a very strategic approach in making our company more technologically advanced. Our strong balance sheet is one thing which gives us immense confidence and potential of exploring and diversifying in much more lucrative areas, which can give the company a very good long-term outlook.

**Radhakrishnan Chonat**

Director Of Business | AlphaStreet

Thank you, Sagar. Now, I'm going to open it up for participants who have raised their hands to ask questions directly. Ladies and gentlemen, as a reminder, please use the Raise Hand functionality to let us know of your interest. I'll call out your name and unmute the participant. Please, I request you to announce your name and company affiliation before asking any questions that you have and try to limit yourself to two to three questions initially and then you can come back in queue.

Operators, please allow everyone to raise their hand. And let's start with Narendra Khuthia from RoboCapital. Narendra, please go ahead and ask your question.

**Narendra Khuthia**

Analyst | RoboCapital

Hi, sir. Am I audible?

**Radhakrishnan Chonat**

Director Of Business | AlphaStreet

Yes.

**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Yes.

**Narendra Khuthia**

Analyst | RoboCapital

Yeah. Thanks for the opportunity. So my first question is that you mentioned that we aim to reach INR100 crores in the flux wire segment in FY '28, right? So that would be at the full 3 times capacity. Am I correct?

**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Not even at the full 3 times capacity. If we run the 3 times capacity that now we have incorporated, if those three lines run at a full capacity, we will be able to clock a turnover of around INR35 crores to INR40 crores.

**Narendra Khuthia**

Analyst | RoboCapital

Okay. So we are planning to expand it further?

**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Yes, for sure. If the market dynamics support us, like we have already ramped it up 3 times, we have a plan to ramp it up till 10 lines.



**Narendra Khuthia**  
Analyst | RoboCapital

Oh, okay, okay. Perfect. So we can expect the INR35 crores, INR40-odd-crores revenue next year itself. Am I correct?

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Yes.

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**Narendra Khuthia**  
Analyst | RoboCapital

Okay, perfect. And what would be the margin profile of this product?

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Margin profile won't be below 20% gross margin.

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**Narendra Khuthia**  
Analyst | RoboCapital

Okay. Okay. So is it a value-added product or is it a commodity kind of product?

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

It is definitely not a commodity since it is -- it's applied in highly technical areas. Fabrication units these days have -- they have like very high valuable items being fabricated and they are very cautious about the quality that they are producing. So these products which -- like the flux cored wire, they hold a very high technical superiority which will never get this product under a commodity basket. It will always have a sense of superiority and we'll have a pricing power as well

with it.



**Narendra Khuthia**  
Analyst | RoboCapital

Okay. Okay, great, great. Second question is regarding your foray into the biotechnology sector, right? So what kind of revenue potential do we see from that and what kind of capex are we expecting?



**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

So I don't have specific numbers so as to mention for the capex levels because we're still in -- under planning stage. But to be very honest, the bio-enzymes market feels very promising. It is highly profitable, firstly. But what we're realizing is its application areas are much more scalable than bio-enzymes itself. So once we achieve that credibility in the biotechnology sector with playing around with microorganisms and bio-enzymes, we are looking at much, much, much more scalable projects which has application of biotechnology in it.



**Narendra Khuthia**  
Analyst | RoboCapital

Okay. Okay, understood.



**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

That is what our approach is going to be.

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**Narendra Khuthia**  
Analyst | RoboCapital

All right, understood. And lastly, what would be the growth for our core business? And on similar lines, would it be possible to go to the previous years' 10% kind of margins or is the 6%, 7%-odd the sustainable rate?



**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

So honestly, our track record tells you that we've always grown at a pace of 5% to 10% CAGR till now. And the operating profit margin profile has also been intact around 10%, which I'm confident that we'll reach again to that level because if you've been following the company, we are always more intact towards having our profile margin -- sorry, margin profile, keeping that intact. So our next approach is again going to be not chasing orders which are -- which do not satisfy our business operations. So you will definitely see a growth in the profit margins.



**Narendra Khuthia**  
Analyst | RoboCapital

Okay. Okay, perfect. Thank you so much. And all the best.



**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Yeah. Thank you.



**Radhakrishnan Chonat**  
Director Of Business | AlphaStreet

Thank you, Narendra. Ladies and gentlemen, once again, as a reminder, please use the Raise Hand functionality if you want to ask a question directly.

Next, from the line of Rajesh Mangal Agrawal. Please go ahead. Unmute yourself and please go ahead and ask your question.



**Rajesh Mangal Agrawal**  
Analyst | Rajesh Mangal & Co.

Yeah, thanks for the opportunity. Hi, Sagar. Good afternoon.

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Good afternoon.

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**Rajesh Mangal Agrawal**  
Analyst | Rajesh Mangal & Co.

Boss, our share price had been reduced almost 50% within three months. So what's your take on this?

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

My take on that would be nothing, honestly, because the increase in the share price as well as the decrease in the share price, we have nothing to do about it.

And honestly, the increase in the share price was more of a given thing because the valuation which -- at which our company was trading felt really low. But since the results are a little subdued after that, I feel the prices have come back -- like, contracted again.

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**Rajesh Mangal Agrawal**  
Analyst | Rajesh Mangal & Co.

See, from your opening remarks also, you have already told that you want to keep the investor interest also. Okay? And in your opening remark also, you have told that you want to maintain the margin profile. Okay?

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**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Yes.

**Rajesh Mangal Agrawal**

Analyst | Rajesh Mangal &amp; Co.

From the report, I see your sales -- quarter-by-quarter sales is reduced by 13%, whereas the PAT is reduced by 70%. And while comparing the quarter-to-quarter, the EBITDA margin last year, '23, it's 9.7% whereas current quarter is 3.74%.

**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

Correct.

**Rajesh Mangal Agrawal**

Analyst | Rajesh Mangal &amp; Co.

Okay? So what's your take on this?

**Sagar Shah**

Vice President and Part of the Promoter Group | Sarthak Metals Limited

It is definitely because of aluminum. Aluminum is posing a lot of challenges to us, sir. And the supply chain is highly disrupted. The scrap prices today are close to the finished product prices. It is absolutely mind-boggling and we are unable to understand what the take -- the final take on this because scrap supplies from international, outside India countries, also is taking a lot of hit like the prices are like -- regardless of what the LME is and regardless of what the finished product prices are, the scrap prices are unreasonably high. So that has affected our margin profiles a lot. And looking forward, if we continue to focus more on cored wire, which is -- which holds this technological power, we are confident that we'll be able to get back our profit margins to the earlier levels.



**Rajesh Mangal Agrawal**  
Analyst | Rajesh Mangal & Co.

So you want to say that we will improve our margin in cored wire and we will, day-by-day, produce -- lower production in aluminum?

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

For now, that's the strategy. We are definitely not chasing any aluminum orders. And till the time -- till the situation improves, it will be -- our strategy is going to be like that.

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**Rajesh Mangal Agrawal**  
Analyst | Rajesh Mangal & Co.

Correct. Thanks for the same. And what is the order in hand right now?

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Order in hand right now, it's unclear, sir. I won't be able to reveal anything specific.

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**Rajesh Mangal Agrawal**  
Analyst | Rajesh Mangal & Co.

And what's your take on these first two months? See, in the first quarter, we have already completed April and May, so how is the top line growth, etc.?

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Subdued, because aluminum, again, as I mentioned, we are really not looking forward to having aluminum -- a lot of inflow of aluminum orders because it's very unstable. The prices of aluminum are highly volatile and the finished product of aluminum and the scrap prices are just

unreasonable right now.



**Rajesh Mangal Agrawal**  
Analyst | Rajesh Mangal & Co.

Okay, okay. And you already spoke something about this biotech enzymes. So how -- as an investor, how we expect that this will contribute our company Sarthak Metals a lot?



**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

So it is a highly lucrative area. If you look at biotechnology, it is very scarcely penetrated in India, firstly. And its application areas, like I mentioned, like water treatment, then alternate energy, then home care. Home care includes FMCG like laundry and detergents and cleaning and also then health area. These are all areas which are upcoming. It's a tomorrow thing. Biotechnology is a tomorrow thing. And as a sector and like as a company, when we look forward to venturing into biotechnology, we totally feel that it will give us a technological superiority which will help. When I talk in terms of the share price, I feel that it will help our company hold a better valuation in terms of P/E when compared to the original work -- that traditional work that we're doing. It holds a lower P/E because it comes under commodity and we don't have a sense of pricing part. All these factors, we'll find it in Biotechnology division.



**Rajesh Mangal Agrawal**  
Analyst | Rajesh Mangal & Co.

Yeah. Very nice, very nice. And you told that we are expecting the top line in second half of financial year '25 in biotech.



**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Yes.



**Rajesh Mangal Agrawal**  
Analyst | Rajesh Mangal & Co.

Okay. Okay. All the best. All the best for the future endeavor. Thank you.

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**Radhakrishnan Chonat**  
Director Of Business | AlphaStreet

Thank you, Mr. Rajesh Mangal. Ladies and gentlemen, I'm going to give a few seconds to see if there are any more questions on the line. Again, if you have any questions, please use the Raise Hand functionality.

Looks like Narendra has a follow-up question. Operator, please allow Narendra. Yes, Narendra, go ahead.

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**Narendra Khuthia**  
Analyst | RoboCapital

Hi, thanks for the follow-up. So just wanted to know that if we are trying -- we are not taking orders for the aluminum segment, right? So are we looking at a revenue loss in the segment in the next year? And would our revenues be somewhat about same as this year? Just a broad idea if you could give us.

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

See, we can see a dip in revenues. But as a company, we are always -- we have our eyes and ears always open. As we have mentioned in my earlier calls also, aluminum wire rod holds potential in two sectors. One is metallurgical, which is the steel industry and the second is electrical sector. Electrical sector, as we all know, power is in huge demand. We have clients in that segment also. And we are in progressive talks with a few customers. And if something gets converted or something gets forward, we can definitely see incoming huge orders in that area also. Nothing is [Technical Issues] as of now. So -- and when the time is right, we'll definitely be open about it.

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**Narendra Khuthia**  
Analyst | RoboCapital

So in case these talks don't go ahead as planned, so we could see a revenue dip next year, right?

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

For sure.

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**Narendra Khuthia**  
Analyst | RoboCapital

Okay. Thank you so much.

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**Radhakrishnan Chonat**  
Director Of Business | AlphaStreet

Thank you, Narendra. I'm just seeing if there are any more questions. This will be your opportunity to raise the hand. Ladies and gentlemen, if you have any questions, please use the Raise Hand functionality.

All right. Ladies and gentlemen, that's all the time we have allotted for today. Please send in your follow-up questions by email to us and we'll follow up and get those answered by Sarthak Metals management.

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**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Great. Great. We're always here to answer all your queries and we try to present our company as clearly as possible. So please reach out if any further queries -- if you have any further queries.

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**Radhakrishnan Chonat**  
Director Of Business | AlphaStreet

Thank you, Sagar. And thank you all for joining us for the Sarthak Metals Limited Q4 FY '23-'24 earnings call.

As a reminder, today's call was recorded. A replay of this call will be made available on AlphaStreet India's YouTube channel as well as on our alphastreet.com platform. A final transcript will be made available shortly on AlphaStreet's platform. Thank you everyone for joining the call.



**Sagar Shah**  
Vice President and Part of the Promoter Group | Sarthak Metals Limited

Great. Goodbye.





AlphaStreet, Inc., 44053, Fremont Blvd, Fremont, CA - 94538, USA | [www.alphastreet.com](http://www.alphastreet.com)

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