SARTHAK
An ISO 9001 : 2008 Certified Co.
CIN-L51102CT1995PLC009772

SARTHAK METALS LIMITED
(Formerly : Sarthak Metals Marketing Private Limited)

Date: 17/11/2026

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

Subject: Sarthak Metals Limited – Q2 & H1 FY27 Investor FAQ.

Dear Sir/Ma'am,

Pursuant to Regulation 30(6) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are enclosing herewith FAQs of the Company for Q2 & H1 FY27. The said presentation is also being made available at the website of the Company at www.sarthakmetals.com.

The above is for your information and dissemination.

Thanking You,
Yours faithfully,
For, Sarthak Metals Limited

PRATIK JAIN
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Pratik Jain
Company Secretary & Compliance Officer

Encl. as above.

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Sarthak Metals Limited – Q2 & H1 FY27 Investor FAQ

13 November 2026

This FAQ goes alongside the Q2 FY27 earnings presentation. It answers the questions investors most often ask about the quarter, the businesses and the outlook. All figures are in ₹ crore unless stated. Results are unaudited and have been through a limited review.

FINANCIAL PERFORMANCE

1. What is the headline for Q2 FY27?

Sarthak Metals grew strongly compared with a year ago. Revenue for the quarter was ₹52.4 crore, 44% higher than in the same quarter last year. Net profit rose 68% to ₹1.28 crore. Both the core cored wire business and the newer welding business contributed to this growth.

Compared with the previous quarter (April–June), revenue was slightly lower, by about 5%. This is mainly seasonal: the July–September monsoon months usually slow activity at steel plants, which are our main customers. Even so, the business earned more from its day-to-day operations. Operating profit (EBITDA) rose 44% over the previous quarter, and for every ₹100 of sales the company kept about ₹4.30 as operating profit, up from about ₹2.80.

₹ crore	Q2 FY27	Q2 FY26	Change
Revenue	52.4	36.3	**+44%**
Operating profit (EBITDA)	2.2	1.6	**+36%**
Net profit (PAT)	1.28	0.76	**+68%**
Earnings per share (₹)	0.92	0.57	**+61%**

2. How did the first half of the year (April–September) go?

A single quarter can be affected by seasonal and one-off factors, so the six-month view gives a clearer picture. For the first half, revenue was ₹107.6 crore, up 30% on last year, and net profit was ₹2.6 crore, up 43%. Profitability also improved as the half progressed, with the second quarter stronger than the first.

₹ crore	H1 FY27	H1 FY26	Change
Revenue	107.6	82.5	**+30%**
Operating profit (EBITDA)	3.8	3.4	**+11%**
Net profit (PAT)	2.6	1.8	**+43%**
Earnings per share (₹)	1.89	1.34	**+41%**

3. Operating profit rose sharply over the previous quarter. Why was net profit about the same?

A company's profit comes from two sources: the profit it makes from running its business (operating profit), and other income such as interest earned on deposits, which varies from quarter to quarter.

In Q2, operating profit increased by about ₹0.7 crore compared with Q1. However, other income was about ₹0.9 crore lower, because Q1 had been unusually high. The two effects largely offset each other, so net profit was broadly unchanged at ₹1.28 crore, against ₹1.33 crore in Q1.

For investors, the improvement in operating profit is the more meaningful trend, because it comes from the core business rather than from income that fluctuates.

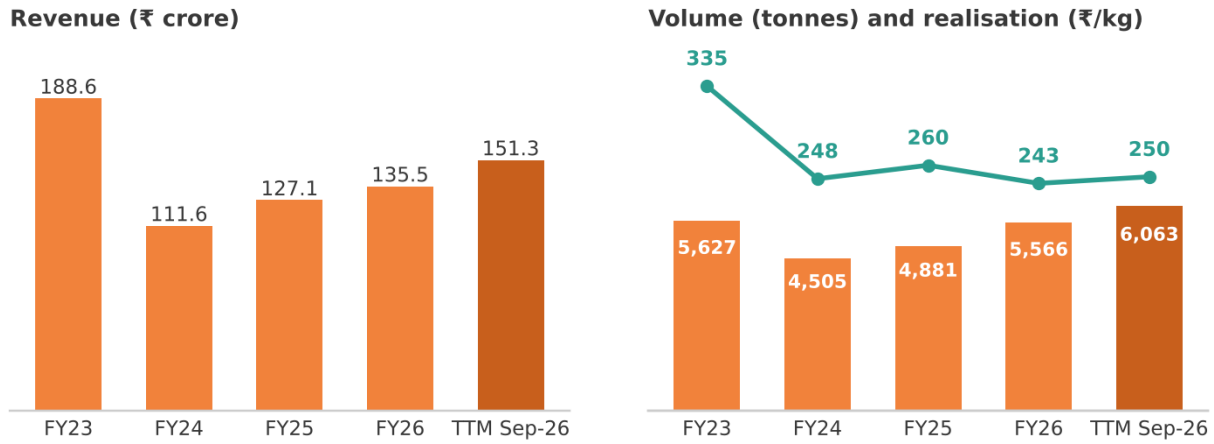
BUSINESS SEGMENTS

4. How did the cored wire business do?

Cored wires are the backbone of the business and made up about three-quarters of Q2 revenue. The company sold 1,463 tonnes in the quarter, 37% more than a year ago, and revenue from cored wires rose 53% to ₹38.6 crore. It also earned about 7% more per tonne than in the previous quarter. Over the first half, cored wire volumes were up 20%.

Demand for cored wires follows steel production, especially higher-value and alloy steels, where alloys must be added precisely. Demand from larger steel plants remains healthy, and the overall cored wire market continues to expand. Several new steel capacities are expected to start up by the January–March quarter, so management sees good growth for cored wires over the next year.

Cored wire: annual revenue, volume and realisation (FY23 to TTM Sep-26)



TTM Sep-26 = twelve months to 30 Sep 2026 (Q3 FY26–Q2 FY27). Realisation = revenue ÷ volume. Source: company data.

Growth is led by volumes. Revenue dipped in FY24, when realisations came down from an unusually high FY23 level (₹335/kg, helped by a larger share of niche, high-value products) and volumes also fell. Since then, revenue has grown every year, from ₹111.6 crore in FY24 to ₹151.3 crore in the twelve months to September 2026, up 36%. Almost all of this came from volumes, which rose 35% from 4,505 to 6,063 tonnes, while realisation stayed in a narrow ₹243–260/kg band.

5. How is the welding (flux cored wire) business progressing?

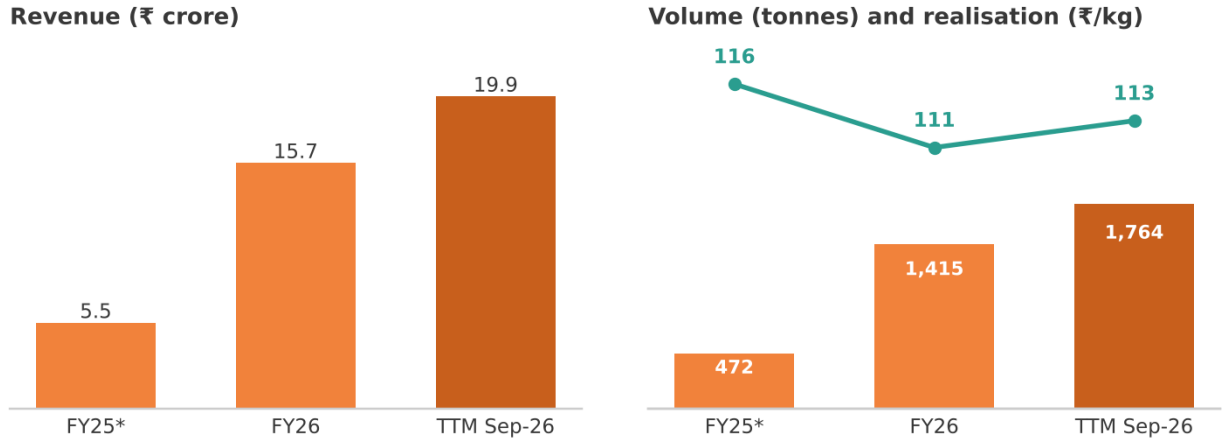
Welding is the company's newest growth engine, and it continues to build steadily.

- Q2 revenue was ₹5.6 crore, up 49% on last year, and first-half revenue was ₹10.7 crore, up 66%.

- Volumes have risen every quarter for two years, from 126 tonnes in Q2 FY25 to 465 tonnes in Q2 FY27.
- The plant is only about half utilised, so the business can keep growing without major new investment.
- Certifications such as BIS, CE and RDSO (Indian Railways) approval give access to institutional and government buyers.

Management remains focused on reaching its ₹25 crore annual sales target.

Flux cored wire (welding): annual revenue, volume and realisation (FY25 to TTM Sep-26)



*FY25 covers Jul 2024–Mar 2025 (data from Q2 FY25). TTM Sep-26 = twelve months to 30 Sep 2026. Source: company data.

Growth here is almost entirely volume-led. Volumes rose from 1,415 tonnes in FY26 to 1,764 tonnes in the twelve months to September 2026, up 25%, and are nearly four times the 472 tonnes sold in the nine months of FY25. Realisation has stayed steady at about ₹111–116/kg, so revenue has grown in step with volumes, to ₹19.9 crore, about 80% of the ₹25 crore annual target.

How competitive is the welding market?

Management estimates the domestic flux cored wire market at about ₹500–600 crore. It is competitive, with established players such as Ador Welding, ESAB, Royal Arc, D&H and Hyundai Welding. Sarthak competes on product quality, its certifications and responsive local supply. Its existing dealers are now taking the range into more states, which widens reach without adding much cost.

6. What is happening in aluminium flipping coils?

This segment remains subdued. Aluminium scrap, its main raw material, has become harder to source as more countries restrict scrap exports, and high aluminium prices keep scrap costs elevated. Q2 revenue was ₹4.4 crore. The segment is now a small part of the business, and management is choosing profitable orders over volume.

7. Where does biotechnology stand?

The company has invested about ₹50 lakh so far, mainly in a pilot solid-state fermentation R&D facility at Nagpur. Parts of the ethanol industry are under-utilised, so management will commit further capital only once commercial viability is clearer. The focus remains on the core, cash-generating businesses.

BALANCE SHEET AND CASH FLOW

8. How healthy is the balance sheet?

The balance sheet is strong and improved during the half. The company has no long-term debt and holds more cash than it owes. In simple terms, it turned more of its sales into cash and used it to pay down short-term borrowings.

- The business generated ₹4.1 crore of cash from operations in the first half, compared with a cash outflow for the full year FY26. Most of this came from collecting money from customers and holding less inventory.
- No long-term debt. Short-term working capital borrowings fell from ₹6.6 crore in March 2026 to ₹2.6 crore in September 2026.
- Gross cash (cash, bank balances and other financial assets) rose by ₹2.3 crore during the half to about ₹17.0 crore.
- Net worth is about ₹127 crore.

Management will continue to focus on collecting receivables faster and keeping inventory lean.

MANAGEMENT AND INDUSTRY

9. Have there been any management changes?

Yes. On 13 November 2026 the Board appointed Mr. Sarthak Bansal as Chief Financial Officer.

10. What is the industry backdrop?

India remains the fastest-growing major steel market. Its key features:

- In H1 FY27 (April–September 2026), finished steel consumption rose about 7.5% to 84.9 million tonnes and crude steel production rose 2.9% to 85.1 million tonnes (Ministry of Steel).
- Alloy steel production, which is relevant to cored wire demand, grew 32% over the same period (IBEF).
- Ratings agencies and brokerages expect steel demand to grow at a high single-digit rate in FY27.
- Installed crude steel capacity is around 220 million tonnes, against the National Steel Policy target of 300 million tonnes by 2030–31.

In welding, India's welding consumables market is estimated at about ₹7,000–8,000 crore (CARE Ratings, January 2026). Stick electrodes are the largest category, at about a third or more of the market. Flux cored wire, Sarthak's segment, is a smaller but faster-growing part, which management estimates at ₹500–600 crore. The shift towards flux cored wire is driven by automation, productivity needs in shipbuilding and fabrication, and BIS quality norms. India imported an average of about 14,500 tonnes of flux cored wire a year over 2020–22.

11. What are management's priorities from here?

- Sustain volume and realisation momentum in cored wires.
- Scale the welding business towards its annual sales target.
- Keep improving working capital and cash generation.
- Maintain capital discipline in newer initiatives.

The balance sheet carries no long-term debt and is net cash, and existing plants have spare capacity, which leaves the company well placed to take part in India's steel growth.

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