

RSPL/BSE/2024-25/

Date: 18.02.2025

To

The Department of Corporate Affairs
The Bombay Stock Exchange Limited
Phiroze, Jeejeebhoy Towers,
Dalal Street, Mumbai-400001
Maharashtra

Scrip Code: 504903

Dear Sir,

Subject: Presentation to the analysts, on the Unaudited Financial Results for the quarter and nine months ended December 31, 2024

Pursuant to Regulation 30 read with Part A Para A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Rathi Steel and Power Limited (“Company”) hereby submit the presentation on the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2024, to be made to the analysts on February 19, 2025.

You are requested to please take note of the above.

Thanks and regards.

Yours faithfully,

For RATHI STEEL AND POWER LIMITED

Shobhita Digitally signed by
Shobhita Singh
Singh Date: 2025.02.18
11:16:57 +05'30'

(SHOBHITA SINGH)
Company Secretary

Encl.: as above



RATHI

Steel for Modern Engineering

Investor Presentation

Q3 & 9M FY25





Disclaimer

This presentation and the accompanying slides (the "Presentation"), which have been prepared by Rathi Steel and Power Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation 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 not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.



Table of Contents



Company Overview



Business Overview



Industry Scenario



Financial Overview



Way Ahead



COMPANY OVERVIEW



LEGACY OF TRUST

Since 1971



Popular brand,
identified with steel



Known for
quality & reliability



Preferred
choice of consumers



ABOUT US

- ❑ **Rathi Steel And Power Ltd** (erstwhile Rathi Udyog Ltd) – part of Pradeep Rathi Group
- ❑ Business started out as a small re-rolling mill in Delhi in the early 1940s. Since then the Group has grown continuously. Founded by Shri Punam Chand Rathi (1934-2010) who was well known in the Steel Industry with experience of over six decades in steel melting and rolling/re-rolling. Company incorporated in 1971
- ❑ Profit making, public listed company – engaged in manufacturing of Stainless Steel products
- ❑ Caters to Infrastructure, Engineering, Household, Auto & Energy sectors, among others
- ❑ Manufacturing plant in Ghaziabad with installed capacity of 2,00,000 lacs TPA, along with steel melting shop with installed capacity of 90,000 TPA for stainless steel billets



Our Journey

1940s – 50s

- Establishment of small re-rolling mill in Delhi
- Business grows under leadership of Shri Punam Chand Rathi, who brought over 6 decades of experience in steel melting and rolling/re-rolling

1970s – 90s

- 1972 – Started small re-rolling mill
- 1973 – First Public Issue
- 1985-93 – Three rights issues
- Adopted TOR Technology

2000s – 20

- 2003 – Adopted TMT technology with “Thermax” trademark
- 2005-06 – Started setting up Stainless Steel manufacturing facilities in Ghaziabad
- 2006 – Undertook FPO to fund this initiative
- 2007-08 – Set up Odisha unit (Integrated steel unit with captive power plant)
- 2012 – Undertook modernization of Ghaziabad rolling unit
- 2013-14 – Odisha unit became NPA & was closed due to external factors beyond control of management

2020 – Present

- 2020-21 – Odisha unit was sold
- Debts assigned to ARCs, subsequently settled with ARCs & banks by 2024
- Company successfully completes fund raise of Rs. 114.7 cr through preferential allotment, strengthening the balance sheet
- Company becomes zero debt as on March '24 & re-entered banking space via credit facilities from Kotak Mahindra Bank
- Rathi completes modernization and cost optimization projects
- Company receives BIS license for SS 550 reinforcement bars – 32mm diameter



Key Strengths



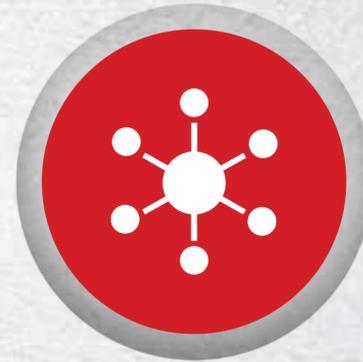
Technological prowess & advancements

- Investment in technology and Operational Efficiencies
- Only Company in India in the stainless steel wire rod space to adopt ‘direct charging’ of billets to wire rod mill, enabling substantial saving of fuel, yield loss and carbon footprint, translating to cost competitive edge



Strong Manufacturing Muscle

- Installed capacity of 2,00,000 TPA
- Steel melting shop with installed capacity of 90,000 TPA for stainless steel billets
- Sufficient headroom to increase capacity utilization & further add capacities at minimum capital expenditure (less than industry average)



Wide Distribution Network & Market Presence

- Pan India Presence with a market stronghold in Northern India
- Strategic plant location gives access to large customer-base in North India, with among lowest average outward freight cost in industry
- Flexible & favourable policies in UP for power from open access helps curb power cost



Continuous Improvement in Product Portfolio

- Strategic shift to Stainless Steel products from TMT
- Availability of infrastructure facilities at nominal incremental capital investment, to expand
- Plans for forward-integration by adding downstream facilities to become end-to-end player



Least Leveraged Capital/Debt Position

- Comfortable capital structure after achieving zero-debt level in March '24; Company has re-entered banking space by availing credit facilities from Kotak Mahindra Bank
- Low level of fixed asset base vis-à-vis capacity in its industry
- Availability of land for forward-integration

The Only Company in India in the Stainless Steel Wire Rod space to adopt “Direct Charging” of billets, gives a cost competitive edge.



Dynamic Leadership



Promoter
Shri Udit Rathi

Industrial Engineer from Purdue University, US, he is a 3rd generation entrepreneur with sharp business acumen. He gained practical experience in steel making from his family since education day. After setting up an integrated steel plant at Odisha about 25 years of age, Mr. Rathi led as CEO till 2016 & played active role in stainless steel & other projects at Ghaziabad plant as well. Since then he guides the team, with day to day operations being run by qualified professionals. His perseverance & commitment guided the Company through a turnaround, from high debt levels to becoming debt free, creating strong foundation for growth. Mr. Rathi's deep sense of the market & ability to identify new opportunities guides the Company forward.



Managing Director
Shri Prem Narain Varshney

Aged 70 years, holds post-graduation degree in Economics from Agra University. With >43 years of experience in HR, he has been on the Board of Directors since 1997 & was appointed as Executive & Independent Director since April 2005. He serves as Managing Director of the Company since 2016



President, SMS
Mr. Naveen Gang

Aged 59 years, he is a technical professional with experience of over 35 years in steel melting & making. He started his career with Vardhman Steels Pvt. Ltd, Ludhiana, & worked with various steel companies including Rathi Ispat Ltd, Synergy Steels Ltd, Mittal Corp, Sharp Ferro Alloys etc. He works as Unit Head – Steel Melting Shop Unit



President, Rolling Mill
Mr. Rajeev Bhattarya

Aged 68 Years, holds a Bachelor's in Mechanical Engineering from Ravi Shankar University, Raipur. He has experience of 4+ decades in various groups including Pratap Group of Steel Co's, Sarda Energy & Minerals (formerly Raipur Alloys) & various Companies of Rathi Group. He specializes in rolling mills (project planning & execution, operation & trouble-shooting), steel melting shop project execution & maintenance. He serves as Unit Head – Rolling Mill Unit



Dynamic Leadership



**Chief Compliance Officer
& Company Secretary
Mrs. Shobhita Singh**

Holds a degree of Company secretary.
With a dynamic personality, she looks after secretarial and compliance department of the Company. She has been appointed as C.S. of the Company since August 2018



**Vice President, Accounts &
Taxation
Mr. Shyam Bageshara**

Aged 57 years, holds a Master's in Commerce & PGDBA- Finance from Symbiosis- Pune. He has rich experience of 34 years in fields of Accounts, Taxation, Corporate affairs. He has worked with various renowned groups including DS Group, Ahuja Radios, Vectra Group (London-Based), Super Cassettes Industries Ltd (T-Series) and Ellora Steels Ltd.



**General Manager,
Administration
Mr. Ram Babu Dwivedi**

Aged 60 years, holds a Master Degree and has experience of more than 37 years in various fields of Administration. He has worked with renowned companies viz. Mittal Fertilizers.



**General Manager,
Project & Marketing
Mr. Kushal Kumar Agarwal**

Aged 43 years, holds Master's degree in Business Administration and has multi dimension experience of more than 20 years. His experience spans from projects planning to execution, procurement and funds raising, brand establishment etc. He is well versed with computer environment.



**General Manager, Quality
Control
Mr. O.P. Sharma**

A science graduate, & holds various certifications in steel plant technologies. He has vast experience of 4+ decades in various fields including product quality & process of various grades of steel. He has worked with various reputed steel organizations including Rathi Alloys and Steel, Shah Alloys, BRG Group, Laxcon Steel, Rathi Super Steels.



State-of-Art Manufacturing Facility



Spread across
12+ acres in Ghaziabad (close to NCR)



Manufacturing Capabilities



Steel Melting



Steel Refining



Steel Casting



Rolling – Wire Rod & TMT
Rod Mills

UPCOMING FACILITY

(Under Planning)

Solution Annealing Furnace

Tube Strand Furnace

Surface Treatment Facility

Bright Bars Facility

Wire Drawing

Stainless Steel Rebar Facility

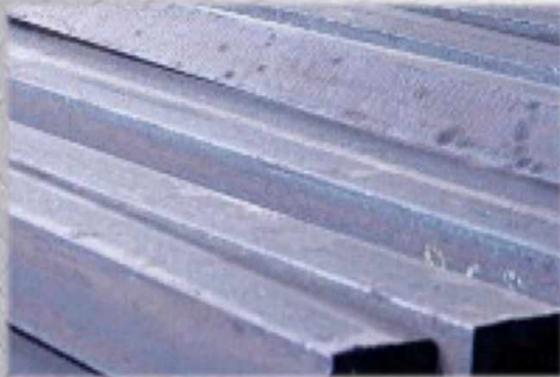
Cold Forging

Fasteners



Product Portfolio

Present Portfolio



S.S. Billets



S.S. Wire Rods



M.S. TMT Bars

Under Trial



S.S. Rebars

Future Products



S.S. Bright Bars



**S.S. Annealed
Wire Rods**



Pickled Bars & Rods



S.S. Fasteners



Rathi received license to use BIS Standards mark for SS 550 reinforcement bars under title *“High Strength Deformed Stainless Steel Bars and Wires for Concrete Reinforcement”* for 32mm product



Strong Market Foothold in stainless-steel billets, wire rods & rebars in North India



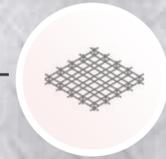
Geographically widespread customer-base for SS Rebars



Wire rods
B2B Application



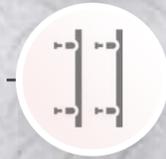
Wire & bright bars



Construction meshes



Fasteners



Hardware & cabinet fittings



Steel billets



Self consumption



Rebars



B2B applications



B2C applications



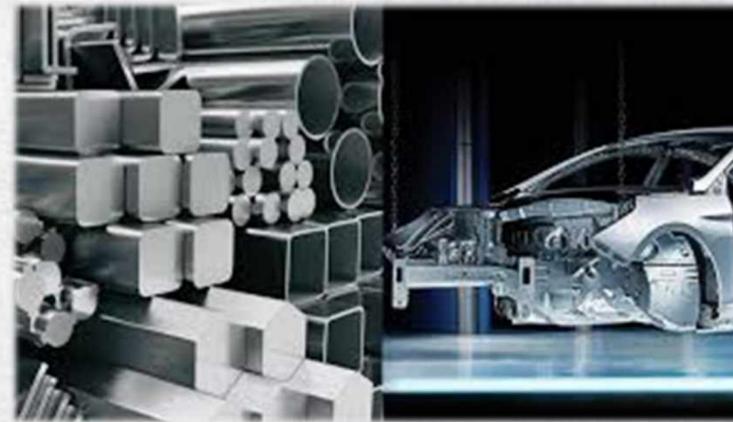
Ready market for SS rebars & value-added product, also supported by the huge **B2C network**

SS value-added products



Sold to B2B industries

End Applications



Auto



Metro & Railway



Kitchen-ware



Medical



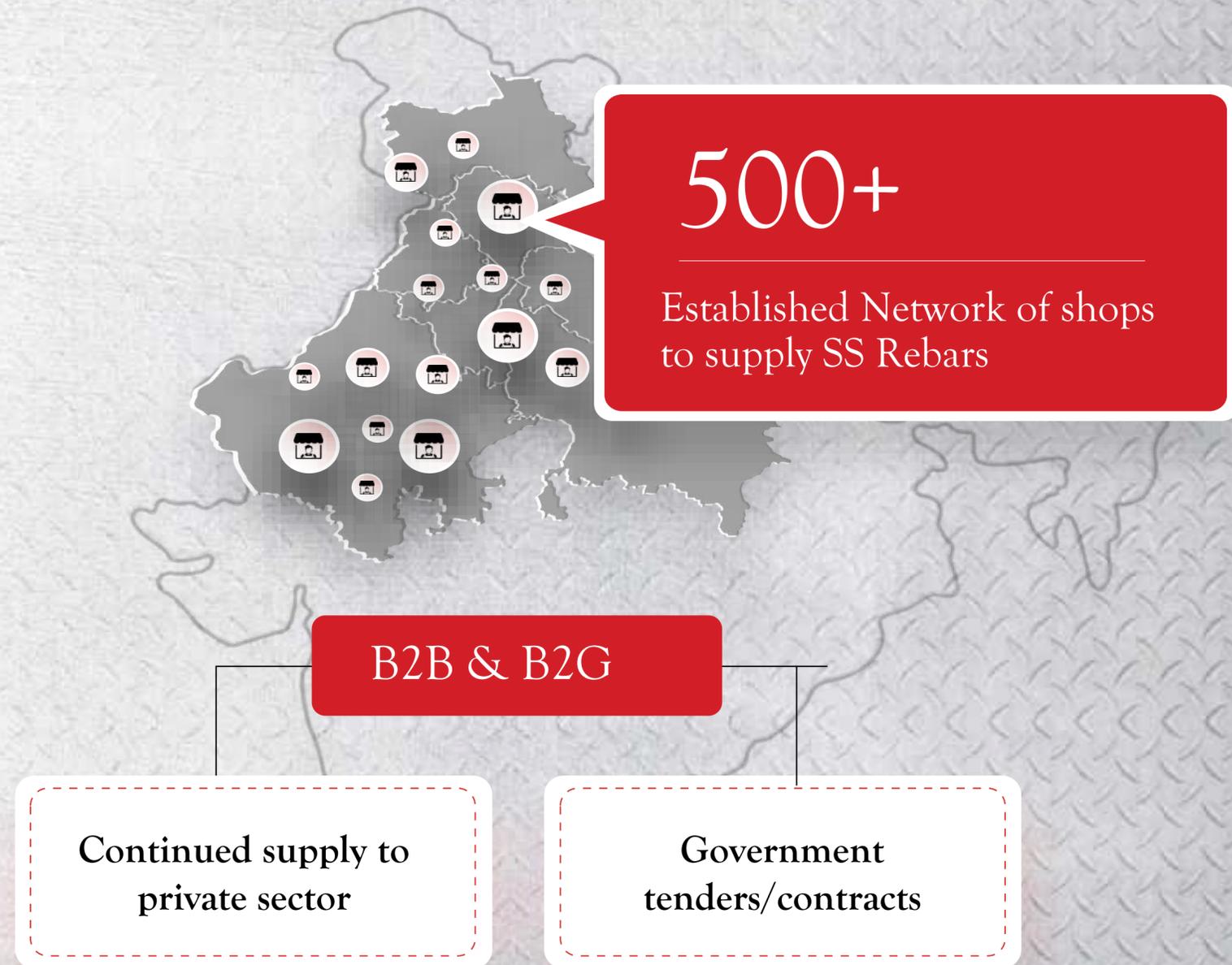
Tower Bolts



Ready market for SS rebars & value-added product,
also supported by the huge **B2C network**

Ready market for **SS Rebars**

The Company aims to leverage the 'Rathi' brand, which has a strong market recall, coupled with retail network, to roll out stainless steel rebars in retail segment





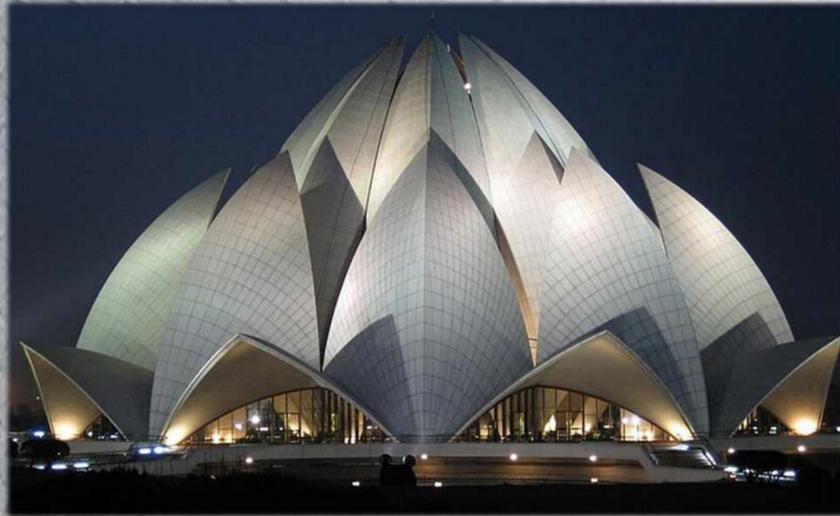
Marquee Clientele





Flagship Projects

Which used Rathi products



Lotus Temple



Atomic Power Station, Narora



LIC Building, New Delhi



Chattarpur Mandir Complex



Tehri Dam, Garhwal



Delhi Metro Rail Corporation



INDUSTRY OVERVIEW



Industry Scenario

Growth Triggers

Robust Demand

- India's finished steel consumption grew from 119.2 MT in FY23 to 138.5 MT in FY24

Rising Investments

- PLI short-listed companies expected to invest USD 1.2 bn (Rs. 10,000 cr) in specialty steel-making next year

Policy Support

- In February 2024, Govt. implemented measures to promote self-reliance in steel industry.
- Union Budget 2023-24 allocated Rs.70.2 cr (US\$ 8.6mn) to Ministry of Steel

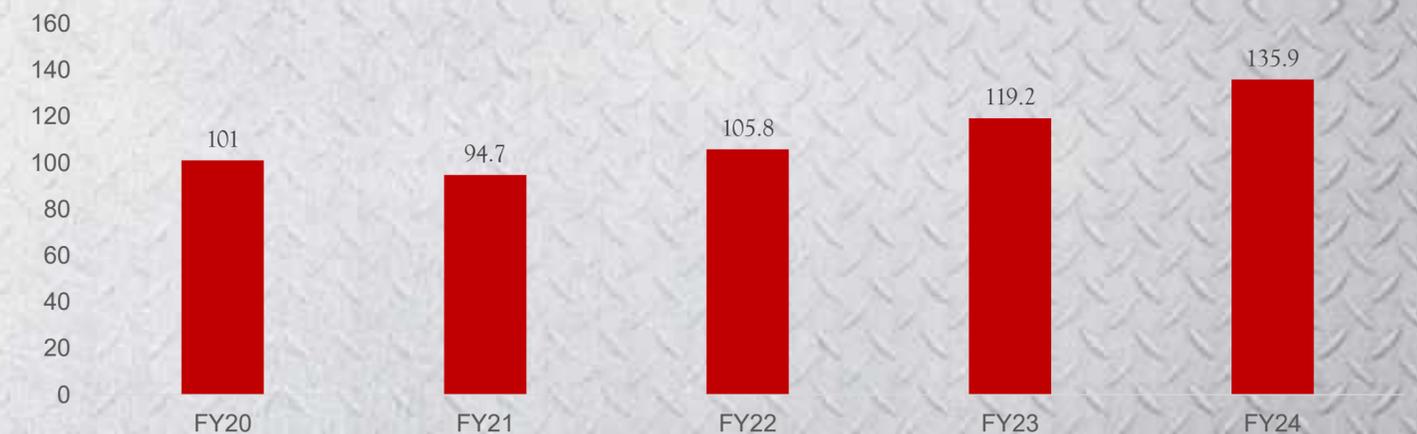
Competitive Advantage

- Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global environment

Indian Stainless Steel Industry (USD billion)

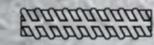


Finished Steel Consumption (million tons)

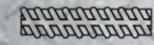




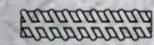
Government Impetus



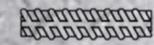
Increased Demand for Stainless Steel: Government policies requiring stainless steel for bridges, railway over-bridges (ROBs), & foot over-bridges (FOBs) boost demand for corrosion-resistant materials



Specialization in High-Quality Stainless Steel: With expertise in producing high-quality stainless steel, Rathi Steel is well positioned to cater to Government infrastructure projects, particularly in coastal & rust-prone areas



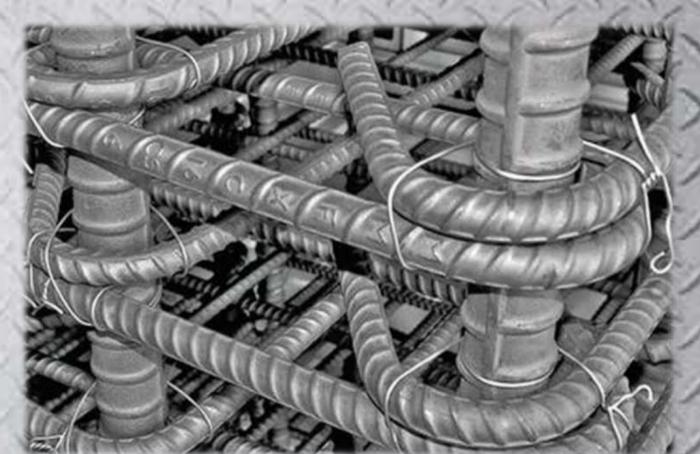
Cost Optimization Advantage: Rathi's recent cost optimization initiatives in stainless steel production allow Company to be price-competitive, making it an attractive partner for all large customers



Revenue Growth Potential: Participation in Government projects & infrastructure expansion could significantly boost Rathi's revenue by increasing market share in stainless steel for high-demand sectors like railways & coastal construction



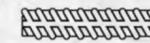
From corrosion-prone MS/TMT rebars
To durable, rust-resistant S.S. rebars



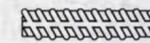


Government Impetus

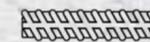
Had stainless steel been used in the Shivaji statue in Maharashtra's Sindhudurg, it would not have collapsed, said Union road transport and highways minister Nitin Gadkari Tuesday, as he advocated the need to use such products in coastal areas that are rust-resistant. "I feel in all roads within 30 km from the sea, stainless steel should be used. If stainless steel was used in the statue of Shivaji, this would have never collapsed," he said. TNN



Government recommending use of stainless steel in new infrastructure development, especially in coastal areas



Union Road Transport and Highways minister recommended a policy to make use of stainless steel mandatory in bridges in areas that are close to sea



Alignment with Government Infrastructure Goals: The focus on using stainless steel in critical infrastructure aligns with Rathi's capability in producing high-value, critical steel grades, enabling the Company to capitalize on long-term Government contracts



FINANCIAL OVERVIEW



Resilience in Adversity



Company demonstrated tremendous resilience during market headwinds, turning around from high levels of NPAs, to zero-debt healthy operational levels.



Strategic Financial Turnaround



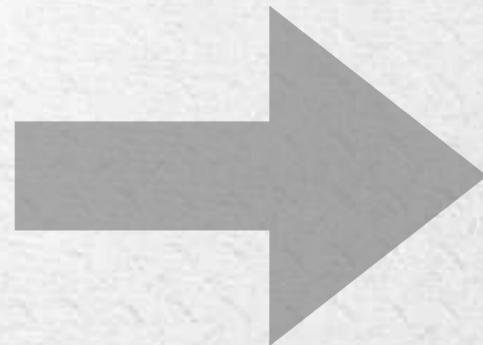
**As on March '24 Company paid off entire debt
Company re-entered banking relations with Kotak Mahindra Bank*



Successful Fund-Raise

addressed legacy issues to propel growth

Equity Raised through
Preferential Allotment in Feb
'24
Rs. 114.71 Crores



Need based CAPEX



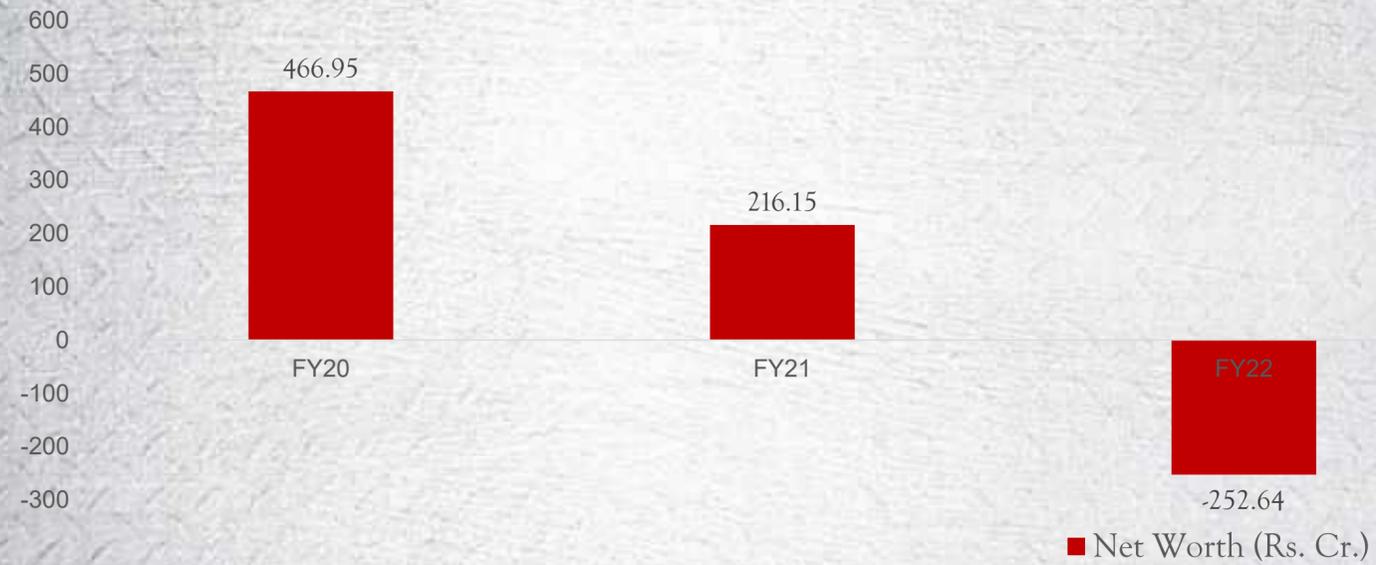
W.C. Shoring up



Debt Repayment



Evolution of Debt Profile & Net worth



Strategic initiatives to reduce debt and improve Net Worth, reflect the turnaround in financial health



Management Comment



Commenting on the results, Mr. Udit Rathi, Promoter, said:

"The Company sustained through market headwinds during the third quarter successfully. Despite macro-economic uncertainties and volatility, we have demonstrated resilience in operations.

The market slowdown during the first half of the fiscal continued this quarter as well to some extent in the form of softness in stainless steel prices. However, we are focusing on strategic initiatives to improve our product mix and efficiencies. Our top line for the quarter stood at Rs. 104.4 crores, growing 3.2% year-on-year. EBITDA and PAT were Rs. 3.0 crores and Rs. 0.5 crores, respectively. While pricing pressures led to relatively lower realizations, we continue to invest in upgrading our facilities.

We recently received license to use the BIS Standards mark on our SS 550 reinforcement bars (32mm diameter) under the above-mentioned title. This is a testament to our quality and we hope to get the same license for more of our size categories. We expect this recognition to give us inroads in the growing stainless steel rebars markets. However, an effective launch of this growing product category will be more meaningful once we secure approvals of an expanded product size range.

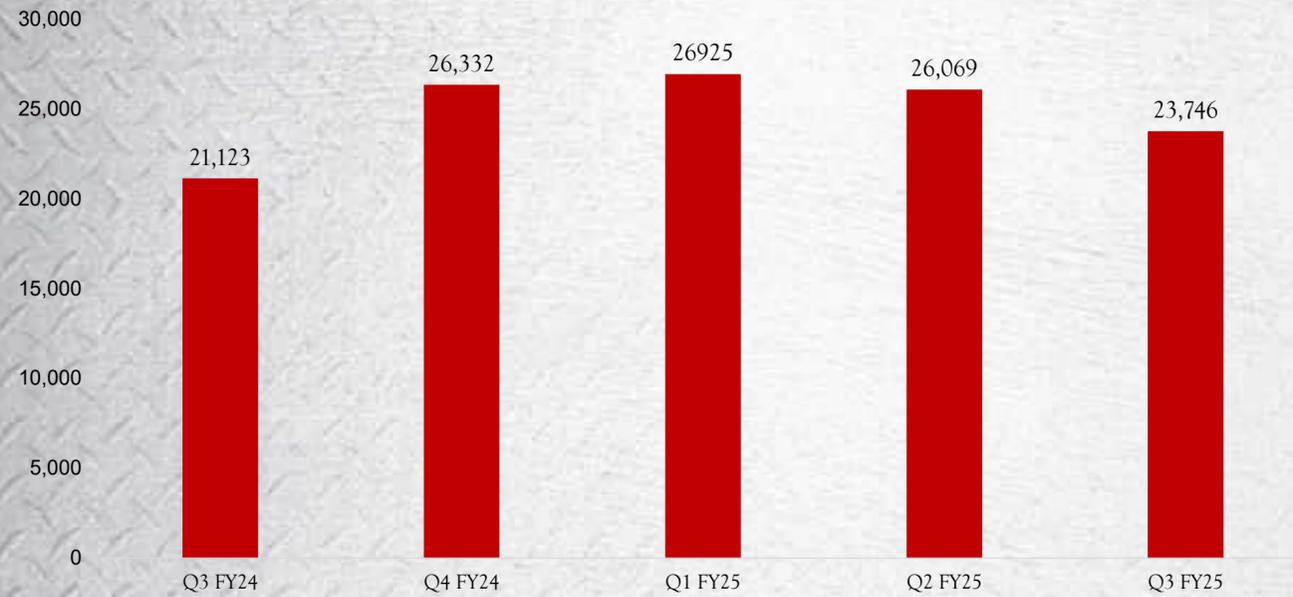
Our recent plant modernization and cost optimization are translating into better operational efficiencies. Looking ahead, we will utilize our existing capacities and leverage our sales network to grow product range.

We remain optimistic for this fiscal year, and shall leverage our strengths to continue growing, while delivering sustainable value to all stakeholders. I would like to thank all our stakeholders and employees, for their continued support."

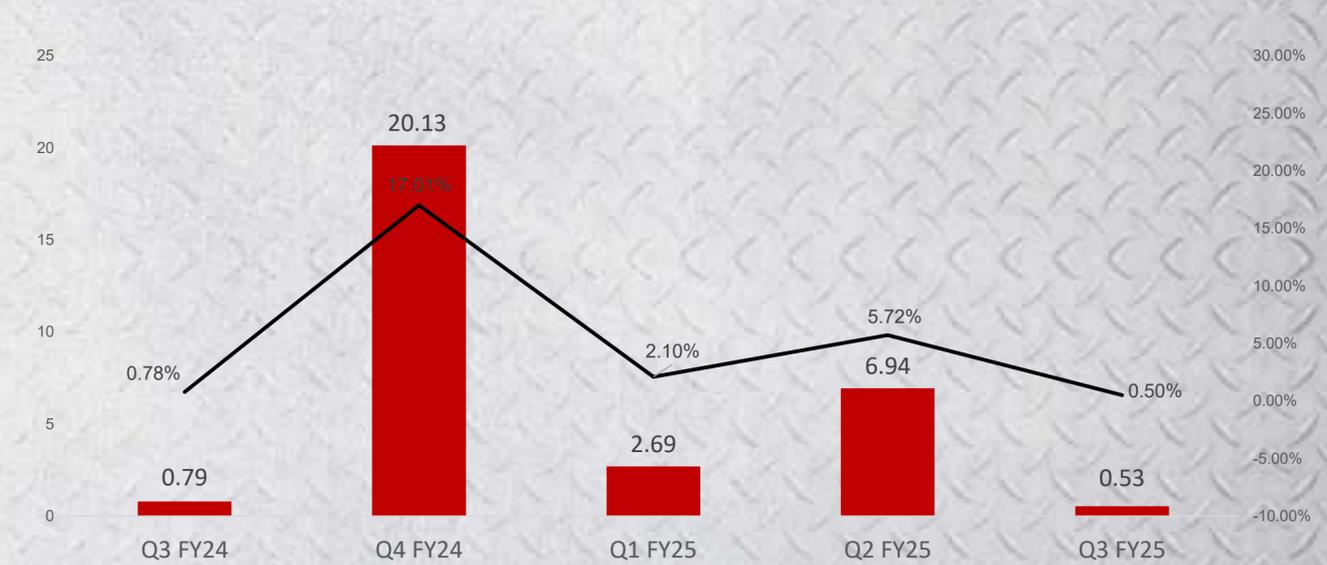
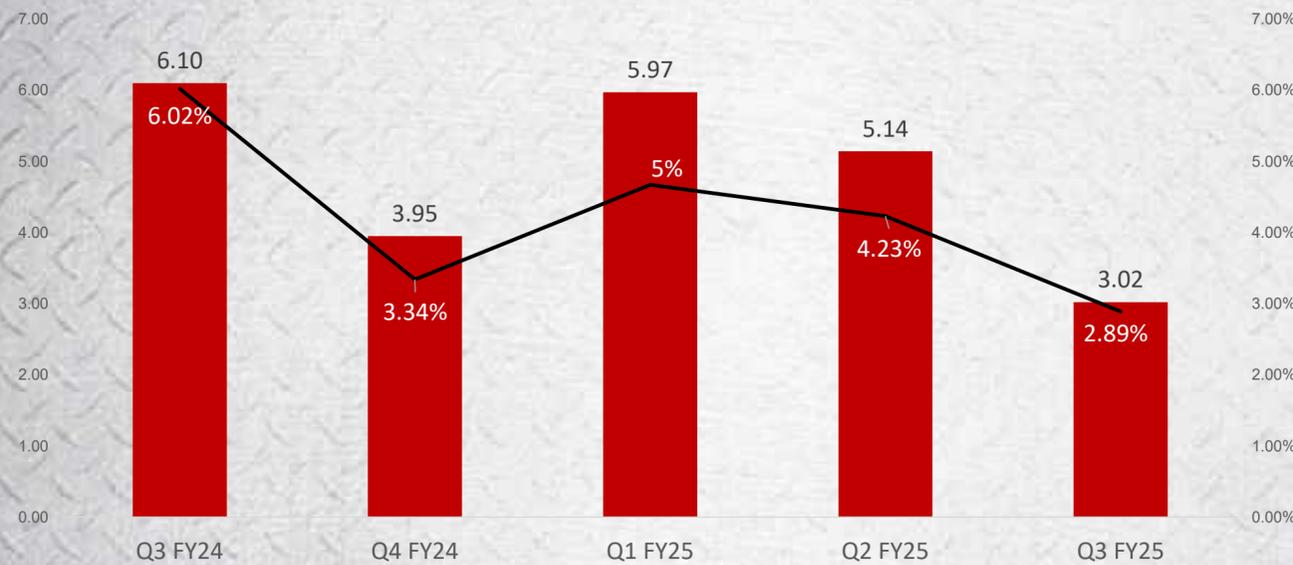
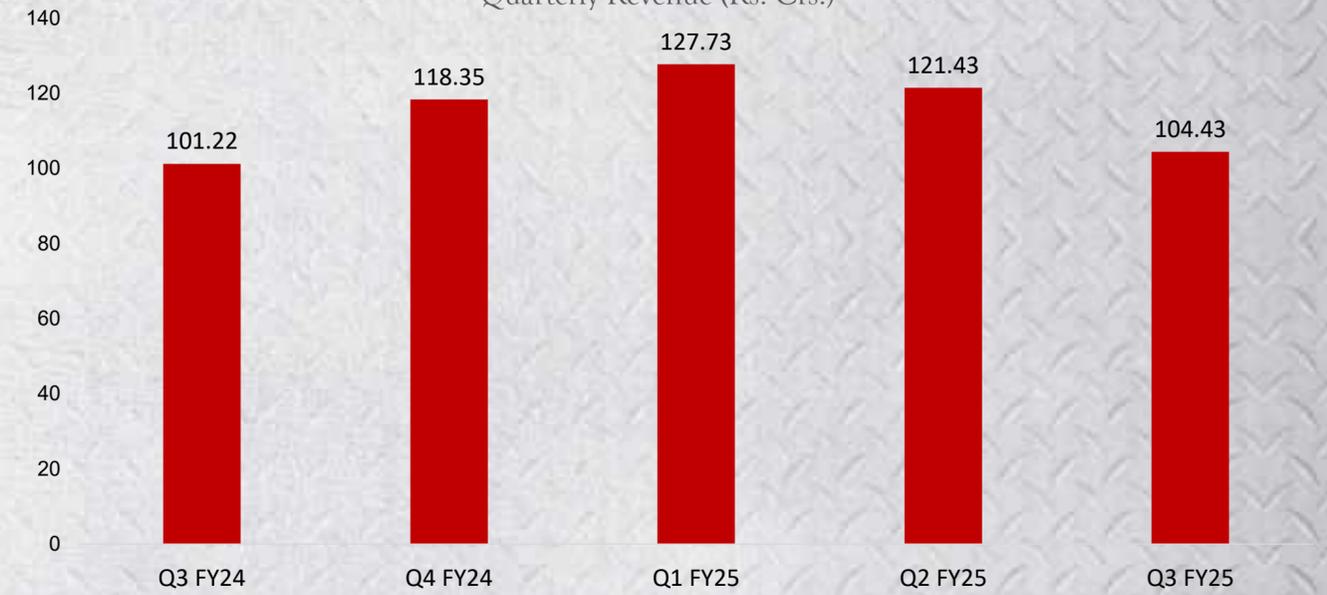


Financial Highlights – Quarterly

Production Volume (MT)



Quarterly Revenue (Rs. Crs.)



■ EBITDA — EBITDA Margin

■ PAT — PAT Margin

Note: EBITDA is excluding Other Income



Financial Highlights – Quarterly

Particulars (Rs. Cr.)	Q3 FY25	Q3 FY24	Y-o-Y (%)	Q2 FY25
Net Revenue	104.43	101.22	3.17%	121.43
Cost of Materials consumed	87.13	68.66		90.60
Employee Expenses	2.65	2.16		3.06
Other Expenses	17.50	19.98		24.72
Total Expenditure	101.40	95.12		116.29
EBITDA (Excl. Other Income)	3.02	6.10	(50.41%)	5.14
EBITDA Margin	2.89%	6.02%	(313 bps)	4.23%
Depreciation	2.40	2.17		2.33
Interest / Finance Cost	1.71	3.20		1.00
PBT	0.53	0.79		6.94
Tax	0.00	0.00		0.00
PAT	0.53	0.79	(33.32%)	6.94
Operating PAT Margin	0.50%	0.78%	(28 bps)	5.72%
Basic EPS (Rs.)	0.06	0.25		0.82



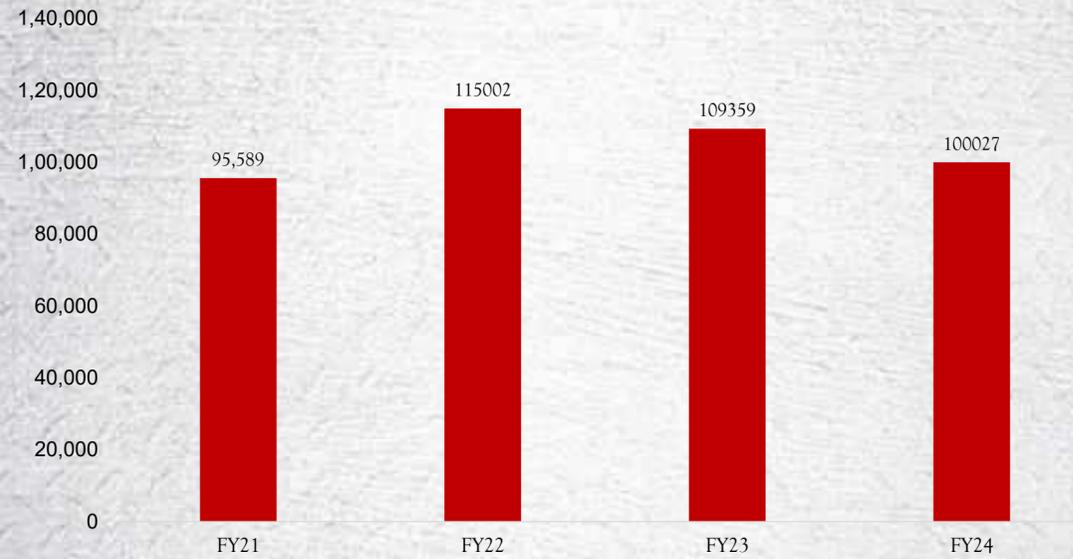
Financial Highlights – Nine Monthly

Particulars (Rs. Cr.)	9M FY25	9M FY24	Y-o-Y (%)
Net Revenue	353.58	374.47	(5.58%)
Cost of Materials consumed	277.50	269.70	
Employee Expenses	8.80	6.69	
Other Expenses	65.41	69.72	
Total Expenditure	339.45	357.63	
EBITDA (Excl. Other Income)	14.13	16.84	(16.10%)
EBITDA Margin	4.00%	4.50%	(50 bps)
Depreciation	7.03	6.47	
Interest / Finance Cost	3.78	10.26	
PBT	10.15	3.41	
Tax	0.00	0.00	
PAT	10.15	3.41	197.95%
Operating PAT Margin	2.87%	0.91%	196 bps
Basic EPS (Rs.)	1.19	1.09	

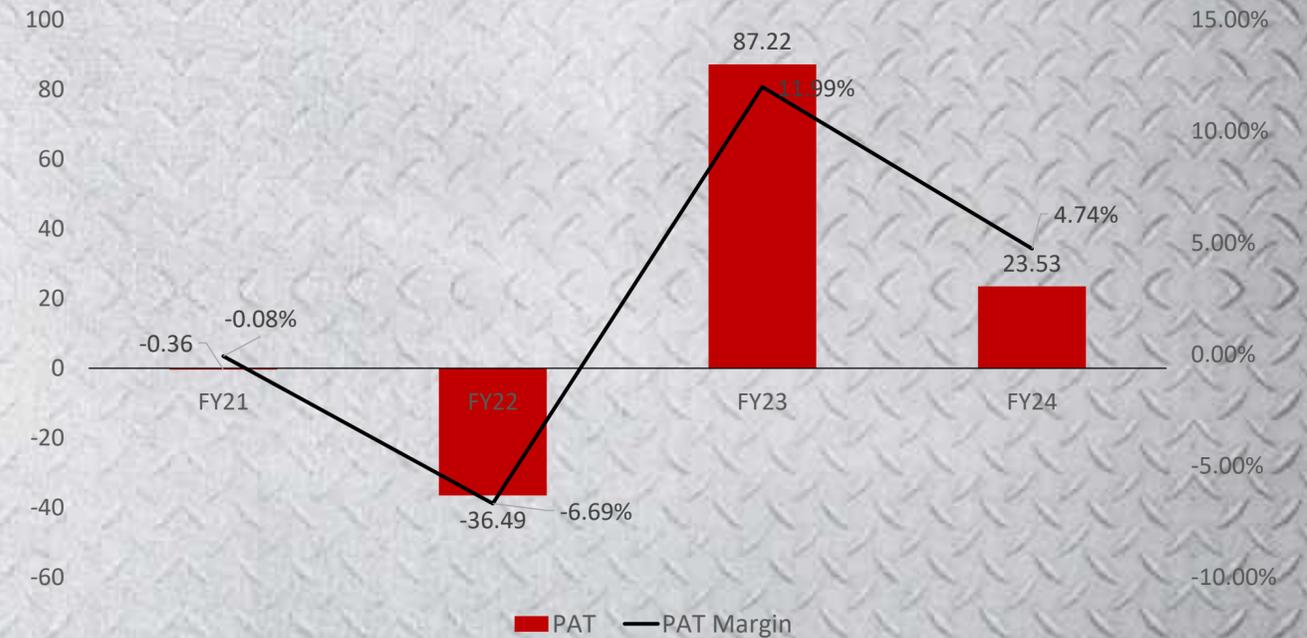
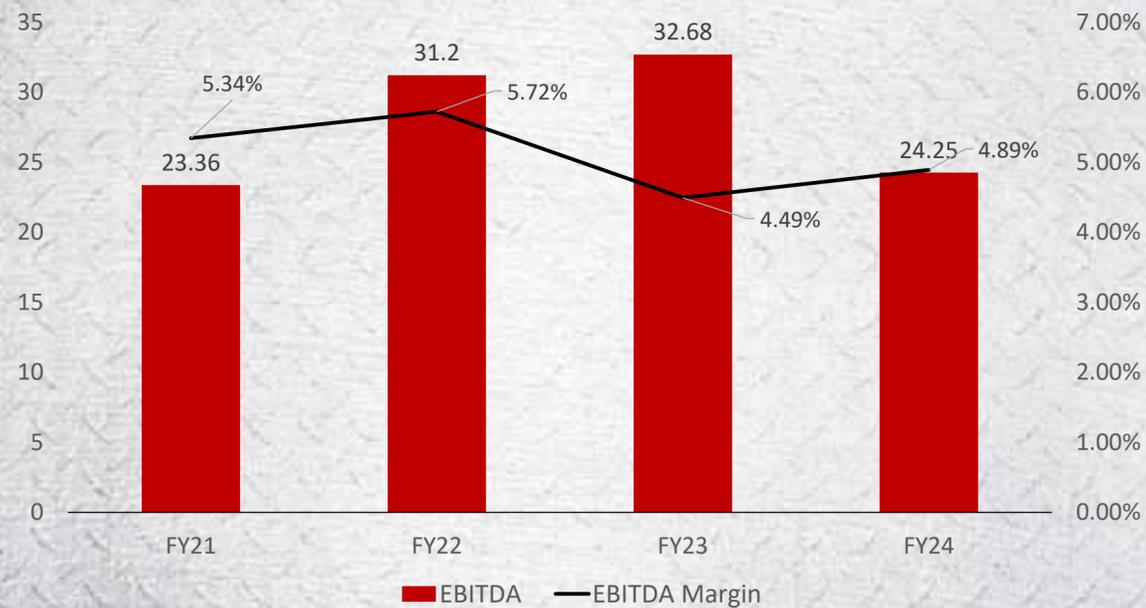
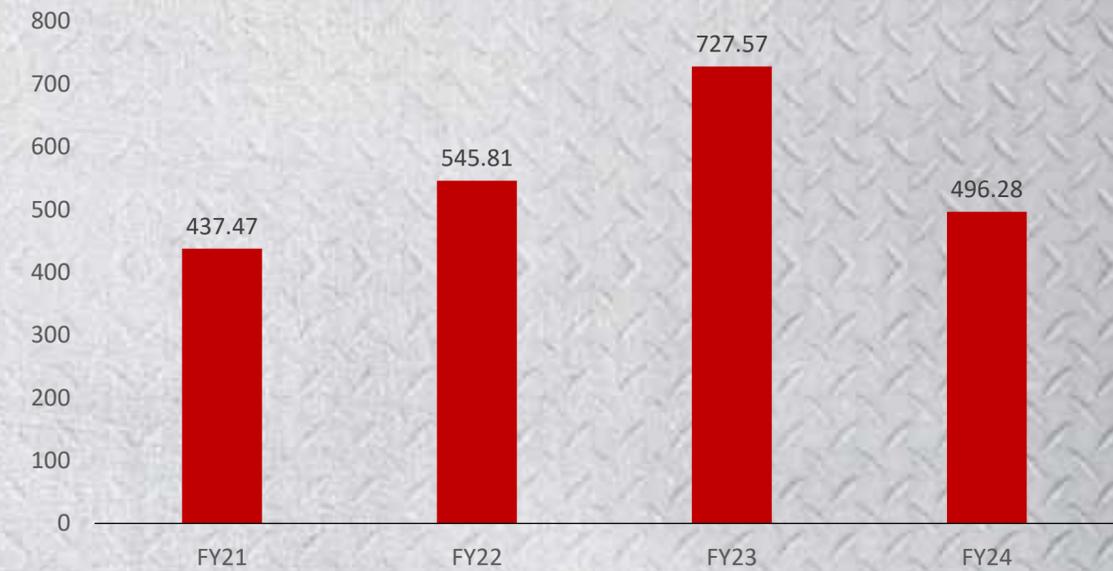


Financial Highlights – Annual

Production Volume of SS Products (MT)



Yearly Revenue



Note: EBITDA is including Other Income



Financial Highlights – Annual

Particulars (Rs. Cr.)	FY20	FY21	FY22	FY23	FY24
Net Revenue	100.01	437.47	545.78	727.57	496.28
Total Raw Material cost	67.45	366.23	449.98	587.71	375.07
Employee Expenses	6.53	5.22	6.13	6.81	9.51
Other Expenses	41.00	42.66	58.47	100.37	87.45
Total Expenditure	114.98	414.10	514.61	694.89	472.03
EBITDA	(14.97)	23.36	31.20	32.68	24.25
EBITDA Margin	(14.97%)	5.34%	5.72%	4.49%	4.89%
Depreciation	8.50	16.49	13.46	8.33	8.74
Interest / Finance Cost	2.15	7.23	13.11	12.10	11.74
Extra Ordinary/ Exceptional Items	0.00	190.50	(41.11)	75.22	19.84
PBT*	(25.63)	190.14	(36.49)	87.47	23.61
Tax	0.00	0.00	0.00	0.25	0.07
PAT*	(25.63)	190.14	(36.49)	87.22	23.53
Operating PAT Margin	(25.63%)	(0.08%)	(6.69%)	1.68%	0.76%
Total Comprehensive income	(25.60)	(0.19)	36.08	87.65	23.64
Basic EPS (Rs.)	(8.19)	60.73	(11.65)	27.86	2.77

* Including Exceptional Items wherever applicable

Balance Sheet Highlights

Equity and Labilities (Rs. Cr.)	As on March '24	As on Sept '24
Share Capital	95.46	95.46
Reserves and Surplus	27.61	37.23
Total Equity	123.07	132.70
Financial Liabilities		
(i) Borrowings	0.00	0.08
Other Long term Liabilities	20.83	9.03
Provisions	2.00	2.03
Total Non-Current Liabilities	22.83	11.14
Financial Liabilities		
(i) Borrowings	0.00	36.80
(iii) Trade Payables	64.22	67.60
Other current liabilities	9.08	10.25
Provision for Income Tax	0.30	0.30
Total Current Liabilities	73.60	114.96
Total Equity and Liabilities	219.50	258.79

Assets (Rs. Cr.)	As on March '24	As on Sept '24
Property Plant & Equipment	70.35	66.82
Non-current Investment	0.11	0.11
Capital work in Progress	0.00	9.82
Other financial assets	3.51	3.90
Other Non current assets	1.01	1.01
Deferred tax Asset	72.91	72.91
Total Non- Current Assets	147.88	154.56
Inventories	29.59	42.42
(i) Trade receivables	16.26	29.46
(ii) Cash and Cash equivalents	6.50	2.27
(iv) Other Financial Assets	17.06	28.76
Other current assets	2.21	1.32
Total Current Assets	71.63	104.23
Total Assets	219.50	258.79



WAY  AHEAD

Future Roadmap

Growth over low capital investment



100% utilization of retail network to push SS Rebar & B2B for value-added products

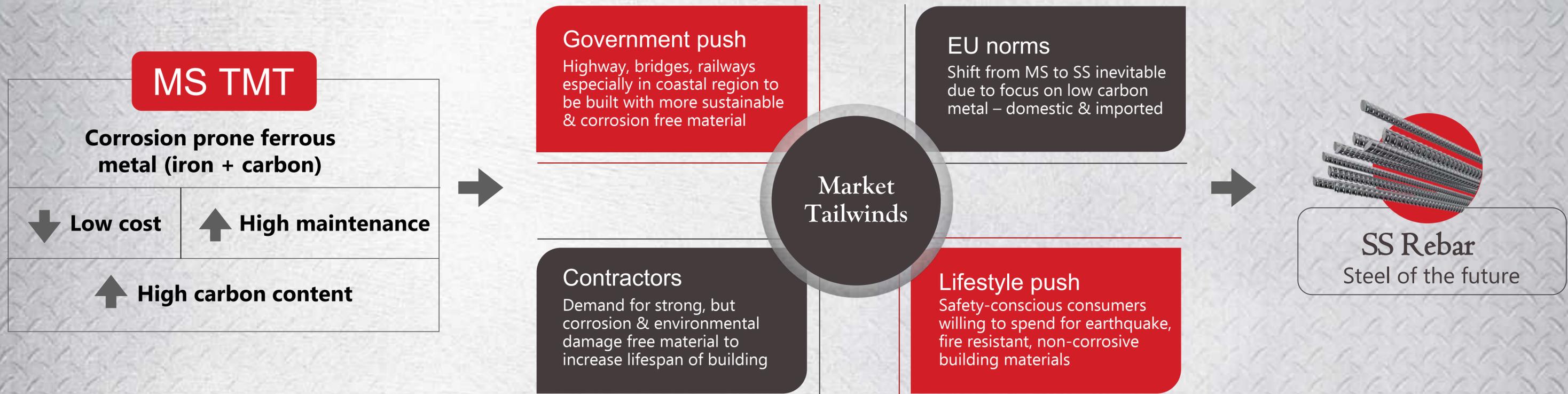


Capitalizing on existing brand value with minimum additional marketing spends



Product of Future

Pioneering shift from **MS TMT** to **Stainless Steel rebar**



MS : Mild steel

TMT : Thermo mechanically treated bars

SS : Stainless steel

- M.S. products are cost competitive
- Cost diversity with integrated plants in Eastern India

- Cost competitiveness
- Locational Advantage – high grade scrap available; Large target market in North & West India
- Competitive power rates in the region
- Captive rolling facility in same premises
- In-house processing of SS billets to rolled products saves fuel & improves yield
- Company to leverage legacy brand & launch the same in retail market

Company geared to launch this product soon – Trials Underway



Stainless steel rebar

The stronger, safer, *eco-friendly* choice



Strong & durable

- Corrosion free
- Environmental damage resistant
- Higher tensile strength and ductility



Safer & sustainable

- Earthquake proof
- Fire-resistant: Melting point up to 600°C



Eco-friendly

- Recyclable
- Lower carbon content



Ease of use

- Easy to manage on-site
- Aesthetic appeal
- Easy to clean & maintain



Value for money

- Minimal short-term cost impact of Rs. 100-150 sq ft
- Cost effective in the long run due to longer lifespan
(MS TMT – 30 years Vs SS Rebar 50+ years)

Strategy to Drive Growth & Profitability

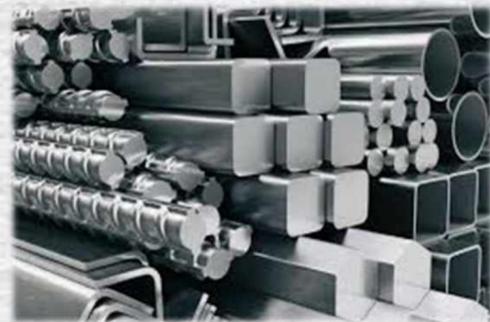


Enhancing Capacity & Utilizations

- Ramp up existing capacity utilization while sweating out existing assets to the fullest
- Enhance capacity of steel melting shop at minimal cost – lower than industry average

Boost Product Portfolio

- Foraying into stainless steel rebars with aim to be a leading player in the segment
- Increasing share of higher margin grades of stainless steel
- Develop high-margin downstream products, such as annealed rods & bars, bright bars, wires, cold forged products, fasteners, etc. – to become end-to-end player



A red-tinted photograph of a steel mill or industrial facility. The scene is filled with large stacks of steel beams and structural components. In the background, a crane with a chain is visible, and the overall atmosphere is industrial and busy. The text "THANK YOU" is overlaid in the center in a bold, white, sans-serif font.

THANK YOU