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30th January, 2026

<p>The Secretary, Listing Department, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Maharashtra, India Scrip Code: 543299</p>	<p>The Manager – Listing Department National Stock Exchange of India Limited “Exchange Plaza”, 5th Floor, Plot No. C/1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India Symbol: SHYAMMETL</p>
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Dear Sir/Madam,

Sub: Transcript of the conference call for Un-audited (Standalone and Consolidated) Financial Results for the third quarter and nine months ended 31st December, 2025

Pursuant to the Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015, we forward herewith the transcript of the conference call with investors and analysts held on Tuesday, 27th January, 2026 for the Un-audited (Standalone and Consolidated) financial result of the company for the third quarter and nine months ended 31st December, 2025.

This is for your information and record.

Thanking You,

For Shyam Metalics and Energy Limited

Birendra Kumar Jain
Company Secretary & Compliance Officer
M No. F13320

OUR BRANDS



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“Shyam Metalics and Energy Limited
Q3 and 9 Months FY '26 Earnings Conference Call”
January 27, 2026



MANAGEMENT: **MR. BIJ BHUSHAN AGARWAL – CHAIRMAN AND MANAGING DIRECTOR – SHYAM METALICS AND ENERGY LIMITED**

MR. DEEPAK AGARWAL – DIRECTOR, FINANCE AND CFO – SHYAM METALICS AND ENERGY LIMITED

MR. PANKAJ HARLALKA – HEAD OF INVESTOR RELATIONS – SHYAM METALICS AND ENERGY LIMITED

MODERATOR: **MR. OMKAR BAGWE – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 and 9 Months FY'26 Earnings Conference Call of Shyam Metalics and Energy Limited, hosted by MUFG Intime. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pankaj Harlalka from Shyam Metalics. Thank you, and over to you, sir.

Pankaj Harlalka: Thank you, Sudha. Thank you, ladies and gentlemen, for joining us in the call. I, Pankaj Harlalka, Head of Investor Relations at Shyam Metalics, wish you all a very good afternoon, and a warm welcome to the third quarter FY '26 post results conference call.

Before we delve into discussing the quarterly numbers, I hope you all had an opportunity to review our press release and the investor presentation, read along with the Safe Harbor statement, which are available under the Investors section of our website and the same are accessible in the BSE and NSE website.

To discuss the third quarter and 9 months results FY '26, I'm joined by Mr. Brij Bhushan Agarwal, Chairman and Managing Director; Mr. Deepak Agarwal, Director Finance and CFO; and Mr. Sumeet Khaitan from MUFG Intime, our Investor Relations partner.

Now I would like to invite Brij Bhushanji to provide his perspective on the performance of the third quarter of the current financial year. Thank you, and over to you, sir.

Brij Bhushan: Good afternoon, everyone. Thank you for joining us on the call. The industry continued to face a challenging environment during the quarter. Global demand remains subdued due to the ongoing geopolitical uncertainties and fluctuation in key raw material prices. In contrast, domestic demand remained stable during the period.

Let me brief touch upon the prevailing operating and industry environment, which continues to evolve amid global and domestic development. Globally, the steel industry has been impacted by trade-related action, including tariff measures in the key areas and markets such as US which has altered international steel flows. These developments have led to higher diversification of steel into alternative markets, creating some pricing pressures across regions, increasing volatility in global steel prices.

From domestic prospect, India economic fundamental remains structurally strong. Steel demands continue to be supported by infrastructures development, manufacturing activities, urbanization with global spending on huge infrastructure such as road, railways, power, urban infrastructure driving demand for long product.

However, near terms, demand in certain retail and secondary segment remains caution, leading to selective pricing pressure. Despite these challenging and -- challenges, we are pleased to

report a decent strong resilient performance by Shyam Metalics. During the quarter, our volume growth on year-on-year is 25% higher and revenue growth is almost 18%.

Over the first 9 months of the year, Shyam Metalics delivered solid growth in both terms of revenue, EBITDA, highlighting the strength of our business model. This performance was driven by our integrated operations, diversified portfolio, sustained focus and cost efficiency.

During the quarter, we successfully commissioned and started commercial production of 0.45 million tons of blast furnace at our Kharagpur plant. This commissioning meaningfully increased our steelmaking capacity, strength, our integrated manufacturing setup support our long-term growth ambition.

Further, I'm happy to announce that in the last quarter of FY '26, the 90 megawatt of captive power plant and 0.15 million tons of color-coated plant are expected to be commissioned with their prospective impact in the cash flow and become clearly visible for FY '27.

Additionally, the backward integration of aluminum flat product of 0.6 -- 0.06 million tons per annum with aluminum caster mill, the new foil plant capacity of 20,000 tons per annum to be commissioned by June 2026. Building on this momentum, I'm pleased to announce the Board had approved the fresh capital investment of INR 6,660 crores to support the next phase of our growth.

This investment will be used for capacity expansion, improving the processes and developing more downstream and value-added products. The proposed capex will be funded primarily through the internal accruals and borrowing if required. These investments are aligned with our long-term goal of expanding operations, improving efficiencies, strengthening infrastructure, increasing margins while maintaining strong, steady, sustainable growth.

To further strengthen our Board, we are pleased to announce the appointment of Mr. Subrata Bhattacharya as Additional Director for the term of 5 years, subject to the shareholder approval. Mr. Bhattacharya is a very distinguished metallurgist and seasoned corporate player with over 39 years of extensive experience in specialty steel, stainless steel industry. He has previously served as Whole-Time Director at Jindal Stainless Limited and CEO of Viraj Profiles Limited. We warmly welcome him to the Board of Shyam Metalics.

On the regulatory side, we welcome the decision to impose the safeguard duty on steel import. This move is extremely supportive for domestic manufacture as it helps to address unfair import pressure and improve pricing discipline, stability and support mechanism in the market and create a better support capacity utilization.

To conclude, we remain focused on sustainable growth, improving profitability, creating long-term value for our valued shareholders. With disciplined execution, prudent capital allocation and clear growth strategy, we are confident of closing FY '26 with a strong note. Thank you for your continued support, trust, and we look forward to engaging with you in the quarters ahead.

With this, now I conclude my speech, and I would request our CFO, Mr. Deepak Agarwal to take us through the financial performance. Thank you to all.

Deepak Agarwal:

Thank you, sir. A very good afternoon and a happy New Year to all the participants. I thank you all of you for taking time out on this call to discuss the results for the third quarter of the current financial year. For the Indian steel industry, the current phase is characterized by healthy volume growth alongside persistent pricing challenges, incremental domestic capacity, coupled with global price softness have kept realization under check, even as demand remains steady.

Overall, while the external environment continued to remain dynamic, the underlying fundamental of the Indian steel industry remained intact. At Shyam Metalics, our diversified product portfolio, integrated operations and prudent capital allocation approach, positioning us well to navigate near-term challenges and continue delivering sustainable performance over the medium to long-term.

Despite this headwind, Shyam Metalics has delivered a strong operational performance in quarter 3 of the current financial year driven by higher volume, improved product mix and disciplined cost management.

I would like to share a quick review of the reported consolidated financials for the third quarter of the current financial year. The company reported an operating revenue of INR4,421 crores in quarter 3 of the current financial year, registering a growth of 17.7% over quarter 3 of the last year. This growth was primarily driven by a 25% year-on-year increase in volume, reflecting successful ramp-up across key product segments and capacity utilization.

For the 9 months ended December 31, 2025, the company reported a consolidated revenue of INR13,312 crores, registering a growth of 20.9% over the 9 months of the last financial year. On the profitability front, the company recorded an EBITDA of INR539 crores, up 6.3% year-on-year with an EBITDA margin of 12.2%.

Operating EBITDA stood at INR487 crores, a growth of 6.9% over quarter 3 of the last financial year, with the operating EBITDA margin of 11%. Margins were impacted by lower realization in carbon steel and sponge iron partially offset by higher contribution from the aluminum, stainless steel and iron pellet.

If I have to speak on 9 months ended 31st December 2025, the consolidated EBITDA of INR1,781 crores, registering a growth of 16.6% over the last year and operating EBITDA of INR1,606 crore, which registered an 18.9% growth over the last year. The profit after tax for the quarter stood at INR198 crores, broadly stable on a year-on-year basis.

The PAT margin for the quarter was 4.5%, which remains healthy considering the current price environment in the sector -- in the steel sector. For the 9 months ended 31st December 2025, the PAT is INR749 crores, registering a growth of 8.6% over the last year.

From a product perspective, the iron pellet realization improved by 5.4% year-on-year, while aluminum, stainless realization increased by 8.5 -- 8.4% and 11.3%, respectively, highlighting

the benefit of our diversified and value-added product portfolio, realization in specialty alloy, carbon steel, sponge iron remain under pressure due to the market conditions.

In terms of volume, the company delivered a strong growth across several segments, iron pellets volume increased by 43% year-on-year. Specialty alloys volume increased by 18.7%, stainless steel volume increased by 8.8% during the quarter. We also continued to scale up volume of our color coated and pig iron.

As our ongoing capex projects are progressively as planned as of 9 months of the current financial year, we have incurred -- already incurred INR8,038 crores against the total project planned capex of INR9,425 crores, which is almost 85% of our total capex plan. Out of this INR8,038 crores, INR5,357 crores has already been capitalized.

These investments are starting to deliver benefit through better operational efficiency, lower cost, improved product quality as this project stabilized further. We expect additional benefit to reflect in our performance in the coming quarter as well.

In line with the long-term growth plan, Board has further approved a capex of INR6,660 crores, which will be deployed towards the capacity expenses, value-added products and strengthening backward integration. These investments will enhance scale, improve cost competitiveness and support margin expansion over the medium to long-term.

This capex will be incurred through internal accrual majorly and borrowing if required from time to time. We remain confident of closing for the current financial year on a strong note and supported by a robust volume, increasing contribution from value-added products and disciplined execution of our growth strategy.

With this, now I'll open the forum for the question-and-answer session. Thank you.

Moderator: Thank you very much. The first question is from the line of Amit Dixit from Goldman Sachs Group. Please go ahead.

Amit Dixit: Congratulations for a good set of numbers in a very testing environment. A couple of questions from my side. First of all, congratulations for announcing yet another capex plan. The first question is essentially on one of the elements of this capex plan that is wagons, seems to be a little bit unrelated area of our operations.

So just wanted to understand the kind of synergies that you are seeing. And particularly, this particular industry in Calcutta itself, we have a number of companies. So what -- how -- what and how different we will be from those companies? I just wanted to understand that strategic rationale. That is the first question, sir.

Brij Bhushan: Wonderful. Thank you, Amit. You know that Shyam Metalics is now setting up aluminum backward integration with the cold rolling mill. We'll be making a lot of aluminum sheets. We are coming with our stainless-steel flat product, which is going to be commissioned in next couple of years.

We are setting up an HR coil plant. So if you see in the wagon industry, the major fabrication raw material is the backward and forward integration to our existing proposed plan. Also, if you see the margins in the wagon and the advantage what we have, like it is a very low capex, like the total capex is close to hardly INR200 crores.

And we have a complete infrastructure available as a railway line as most of the infrastructure required for the sheds and all for the wagon plant in our existing plant. It will add a lot of value because once we make a product, we have a lot of value-added product in our existing manufacturing facilities as well, we have a lot of unsized product, which will be able to create more value addition in the wagon plant.

So it is a very small investment. And if you see the railway demand which is going to come up in the near time, we are seeing the infrastructure is growing. And I feel this is the area where we should start with very small. It's a very small capex.

And once we see that we are able to -- we are totally convinced with the strategy growth and all, we have further area of expanding into a various kind of high value-added wagon business, like value -- wagon business will start basic one in the stance. But later on, we can get into metros, we can get so many.

So this is just a stance of testing new project where the backward and forward integration has a lot of value to us. And we have a captive railway siding. We don't have to build up a railway line. We don't have to build up so much big infrastructure, which is required for a wagon plant.

Amit Dixit: Got it. Got it. The second question is essentially on the portfolio itself, product portfolio. So if I look at it, there are four distinct buckets of products. Now you have aluminum foils, stainless steel, we have longs and flats in carbon steel. So going ahead, where the focus will be?

I understand, I mean, broadly, it is on downstream products. But I mean, you have recommended the induction of Mr. Subrata Bhattacharya. So is it that we would be focusing on stainless in the near term? Or going ahead, where do we see your capex coming?

Brij Bhushan: Very interesting question. I'll just brief you. If you see the Shyam Metalics as a company, we are a metal company, and we would definitely like to invest in these future sustainable long-term value chain. If you see in last 3 years, like we have -- we started with a small pellet plant of aluminum foil plant.

Now we are close to around INR1,000 crores, in the next 2 to 3 years we are targeting that we should be close to INR 3,000 – INR 3,500 crores business. We'll be able to develop with the backward integration, creating more margins in aluminum, knowing -- understanding the business since we have now more than 40% of our export market on the overall business, we are adding a lot of value and all.

So this comes from the aluminum chain for next couple of years. And it is giving a decent margin, the EBITDA margins, the product margins and the innovations on the new metal in the

aluminum space, a lot of action has been there. From the stainless steel point of view, yes, now we are in the carbon steel where the prices are always very, very competitive.

And stainless steel is also one of the value addition over the carbon steel. Since we make specialty alloy, we have our own power, we have our own steel, we are focusing more on the 200 and 400 grade stainless steel where we have a neck and we should be able to capitalize more on the value addition. So stainless steel is a kind of a value addition in our existing metal space.

And as you know, there is very -- the per capita of stainless steel in our country is very, very low. And the kind of penetration which we are seeing in the stainless steel businesses like in the construction steel, in the other flat products and all, in the white goods, we are seeing there is a lot of in the railways, in the other infrastructure, special engineering manufacturing, like India is becoming the hub of the smart manufacturing.

So I'm seeing a lot of penetration in the stainless steel. And this is going to add a lot of value forward and backward to our existing industry, creating our model more robust, sustainable and creating more value for our shareholders.

Moderator: Thank you. The next question is from the line of Vikas Singh from ICICI Securities. Please go ahead.

Vikas Singh: Sir, my first question pertains to our aluminum segment realization, which seems to be down on a sequential basis, contrary to how the aluminum prices have moved up in the international market. So, have our mix has been deteriorated? And how does it impact our overall performance?

Brij Bhushan: There are two things, Vikas to calculate. One thing is, you know, we are not the primary manufacturer of aluminum. We are the value-added manufacturing hub of aluminum. And in aluminum, there are a lot of sections, a lot of products where we have a high EBITDA, and there is a lot of products where the EBITDA is a little lower, but the productivity is higher.

If you see the results in the terms of the numbers, we are increasing quarter after quarter. But because of the volume is going up and to see the best value per ton EBITDA per hour, the decisions have been taken accordingly. But yes, due to some forex fluctuations, maybe some imports are there for the foil or maybe some kind of a slowdown in the American market, some impacts are there, but it's not majorly affected.

Vikas Singh: Noted, sir. And sir, in our opening remarks, basically, we talked about the challenging condition still persists by the CFO. So just wanted to understand, after the safeguard duty, we would have a healthy price hike. So is the demand still an issue because price seems to be on a healthy side, if I just check on the domestic market as well from December onwards...

Brij Bhushan: Safeguard duty has been introduced. There is a decent price increase from this month onwards -- from January onwards. Last quarter, the price was extremely low. And there is a lot of volume in the transit by the secondary -- in the hand of secondary people. So it takes time to evacuate.

But overall, as a country demand is concerned, we are utilizing our plant at more than 90% - 95% capacity, irrespective of some little bit of price pressure, but we are able to sell the material. So not majorly, but yes, things are going to improve because we know the country is growing, the demand is growing.

And to sustain the country growth, we have to produce 300 million tons. And we know how the systems are working now. So we are extremely optimistic and extremely bullish on our business.

Vikas Singh: Got it. And sir, this INR6,660 crores is over and above that INR9,700 crores capex, right? So the total pending capex at this point of time would be INR7,500 crores. Is that number correct, which we will be spending in 3 years?

Deepak Agarwal: Yes, yes.

Brij Bhushan: Deepak, question to you.

Deepak Agarwal: Yes. The remaining capex is around INR8,000 crores, which will be incurred in the next 3 years. This quarter -- last quarter, we will be trying -- we will be incurring around INR500 crores. And every year, we will be incurring around INR1,500 crores to INR1,800 crores every year.

Vikas Singh: Noted, sir. And sir, just one last question. This HR plant, which we are planning to set up, which would be -- it would be set up in which of our plant? And how much of the space we would be available post this expansion as well for the -- to incorporate the future expansion?

Brij Bhushan: We have -- this plant we are coming up -- this plant is coming up in Bengal side, Jamuria plant. And apart from this, we have enough land and some more land are under acquisition. For at least next 4 to 5 years, we don't have to look back.

Moderator: Thank you. The next question is from the line of Rajiv Jain from Arcane Investments. Please go ahead.

Rajiv Jain: Yes. Thank you for the opportunity. So, I just have a couple of questions. Firstly, so how are you seeing demand trends in Q4 and early of financial year '27, especially for the finished steel and value-added products? Could you throw some light on that?

Brij Bhushan: See, I am -- we are extremely optimistic, I told you, because since last 1.5 - 2 years, the metal steel was extremely challenging. And in spite of that, as a company, Shyam Metalics has been recently performing with a decent EBITDA numbers and all. But now looking forward with the kind of growth vehicle, what we are seeing every quarter, it is becoming robust.

Demand is not a challenge because whatever steel is being produced in the country, it is being consumed. And we know like if you are talking of 7% to 8% GDP and we are producing around, say, close to 160 million tons of steel every year, compoundedly, we will be requiring around 11 million to 12 million tons of steel.

So we don't have to really worry on the steel demand side cycle and all. Might be some kind of a geopolitical situations or maybe some kind of uneven surprises what we are hearing from the

Trump and this kind of a mystery. It is a part of our journey. But actually, as a product, as a steel, we really should not be bothered.

Market is very stable. There's a good demand. We are seeing a lot of penetration happening in the private sector, smart manufacturing, rural development, infrastructure, roads, railways. So we don't have to worry at all.

Rajiv Jain: Understood, sir. Understood. And my next question is on capex. So you have already completed a large portion of your capex, which was around 9,400. And so which key projects will start contributing meaningfully from FY '26 and which ones will take a little bit longer to ramp up? Could you quantify that?

Brij Bhushan: See the blast furnace, what we commissioned this year we'll be seeing at least more than 95% efficiency factor coming up from the coming year onwards. The Ramsarup is again second blast furnace, which you will see a lot of action this year as well. The cold rolling mill expansion of color-coated business, we'll see almost doubling this year. The aluminum backward integration plant is going to have another impact to double the revenue this year.

And apart from that, a lot of other power plants and some little bit of minor engineering in the existing plants, iron making capacity of close to 200,000 tons, we'll see -- will be commissioned this year. So there's a lot of action this year. Starting from the first quarter till the third quarter, we'll see a lot of new plants getting commissioned.

Rajiv Jain: Understood, sir. Understood. And in previous quarters, you had mentioned potential benefits from PLI scheme for stainless steel. So has there been any further progress on this since then?

Brij Bhushan: The plant is under the construction stage. And once you are commissioning the plant, then only you will be getting. So we have -these are all statutory compliances, which are in place. So we will not get immediate results until we commission the plant. So we have to wait for another 1.5.

Moderator: Thank you. The next question is from the line of Kartikeya Kumar Pandey from 360 One Capital. Please go ahead.

Kartikeya Pandey: Yes. So sir, given the positive outlook that you are sharing on steel prices, so I just wanted to understand what kind of margins like are we looking in the fourth quarter and then for FY '27 and FY '28, if you could just share some rough numbers on that?

Brij Bhushan: You will definitely see a substantial better margins in Q4 in comparison with Q3 because the price have gone up. And as usual, if you see the history, the past and all Q4, Q1 is always very inspiring because of -- it's a season of construction. There's a lot of -- we are done with all the festive and all.

So -- we expect that at least, if I'm not mistaken, if my finance people support me close to 10% to 15% or maybe 20%, we will see more improvement on our margins and all in this quarter and also subsequently in the coming quarter.

Deepak Agarwal: In addition to this, you should also look into that in the next financial year, there are a lot of projects will be commissioned like aluminum foil, flat-rolled products, like aluminum foils, color coated. So definitely, margin will be improved and also the growth will also be improved.

Moderator: Thank you. The next question is from the line of Ashish Kejriwal from Nuvama Institutional Equities. Please go ahead. As there is no response, I'm taking the next question from the line of Devesh from Ikigai Asset Manager. Please go ahead.

Devesh: Just one question. Recently, the ₹ 400 per ton of coal cess was removed, what kind of benefits are we expecting from that? And when will that start to flow through? Or is some part of that already flowing in Q3? But largely, I think power cost per kilowatt is largely similar, I think, on a Q-o-Q basis.

Brij Bhushan: Actually, it really doesn't have a major impact on our power because our power plant is based on the waste and waste gases and waste product, which comes out from the steel plant. Already, these kind of numbers at such a low -- such a -- when you are seeing the revenue impact is there. It means there is a huge impact on the overall.

It has also -- it has already been taken care of in the third quarter. And subsequently, whatever the carryover stocks are there, it dilutes slowly. So we will see subsequently, there will be a decent improvement in the coming quarter. But power, definitely, it doesn't have that major impact because we don't use fresh coal. We just use the rejects and wash rejects and waste sheet and all in our power plant.

Moderator: Thank you. The next question is from the line of Mudit Bhandari from IIFL Capital. Please go ahead.

Mudit Bhandari: Sir, first question, we are expanding capacities across our intermediate products, including pellets -- not pellets, sponge iron, pig iron and billets. And if I compare that capacity expansion with our finished steel product, including long and flat, so we are a little aggressive more upon the intermediate product side. So is this any strategic call or how to look at this? Because at this rate, we'll be selling our intermediate products even till FY '27 or '28?

Brij Bhushan: I don't know where do you derive this number? Because if you see from the Bengal plant, the kind of HR what we are targeting close to around 1.6 million tons. And if we are consuming our hot metal, that is pig iron and the DRI. So we are almost compensating and we are out of the intermediate products from the Bengal plant. If you see the Odisha plant also the stainless steel facilities and all what is coming up, slowly, slowly, it will add.

So we will not be completely zero downing the intermediate and neither we want to zero down. We want to have some little bit of share to have a proper penetration and awareness on the market side. And every intermediate product also, what we sell, we sell in the profit margins and also. But yes, in the time to come in next couple of years, we'll see that, you know, we'll be converting a lot of our intermediate product by ramping up our existing capacity and adding more value downstream.

Mudit Bhandari: Got it, sir. So directionally, in FY '27, more or less, we'll be consuming all of our intermediate products?

Brij Bhushan: No, no, not by FY '27. It will be -- because HR is coming in 2 - 2.5 years, if you see what we declared. So probably from '28 and onwards or maybe early '29, probably we expect that we should be able to consume a lot of intermediates.

Mudit Bhandari: Got it, sir. And then your slide on Page number 23, what you mentioned, expected sales in volume FY '28, these are sales to external clients for intermediate products, right?

Brij Bhushan: All our sales are to the external system. We never calculate the sales of the intermediate transfer. All sales related to the...

Moderator: Thank you. The next question is from the line of Ashish Kejriwal from Nuvama Institutional Equities. Please go ahead.

Ashish Kejriwal: Sorry, I was on mute that time. And many congratulations, sir, for successful growth capex without stretching the balance sheet, very few times we see that. That's -- many congratulations for that. Sir, my question is on hot-rolled mill. I assume that we have 0.4 million tons of cold-rolled mills. So obviously, 0.5 million ton of that will be used in the hot roll. So going forward, do you want to go into sale of HRC coil? Or can we expect that next phase, we can see further expansion in CR coil or further processing to galvanized products?

Brij Bhushan: Very, very intellectual question. Must appreciate. Yes, you are right, Ashish. Like HR takes -- HR is a long decision time. And our strategic HR of setting up to -- close to 2 million or maybe 1.6 million tons at a price of less close to INR 5,000 crores is something we have to appreciate. And we all know like any HR product when we set up, we have to set up a complete iron-making facilities downstream.

And as a strategy of Shyam Metalics being so conservative and prudent, we had built up all our infrastructure backward and forward integration. So our immediate step is that to -- we have to take up the HR project, and we should try to commission it before time what we delivered, what we committed.

And in the time from close to 0.5 million tons, what I presume you will be able to do from this plant in next 1-year, we will definitely evaluate, and we are still evaluating to create some more facilities so that in the time to come, at least 60% - 70%, we should be able to captively utilize.

These are all strategic long-term value-added product mix what our team is doing. And soon, once we are through with our all diligence and Board approval and all, we would like to share. But these are all very small capex in the size of our balance sheet or to the size of the project what we are doing, yes.

Ashish Kejriwal: Understood. Sir, in this -- just a small query on this hot rolled mill plant, is this including of steel melting shop as well as hot strip mill also or something else is also included in that?

Brij Bhushan: No, no, nothing, only steel melting shop and HR, Ashish. Only steel melting shop and HR.

Ashish Kejriwal: Okay. Because when I'm comparing this capex, normally, our capex is much lower than the industry standard. But when I'm comparing this with even for NMDC steel plant and just for hot strip mill and steel melting shop, they are -- they did something like 3 million tons at around INR 2,600 crores, INR 2,700 crores. So I was just wondering whether we are...

Brij Bhushan: INR 26,000 crores.

Ashish Kejriwal: Sorry?

Brij Bhushan: INR 26,000 crores.

Ashish Kejriwal: No, no, no. This INR 23,000 crore was for the entire...

Brij Bhushan: INR 23,000 crores, yes, yes, yes.

Ashish Kejriwal: Yes. But I'm saying just for steel melting shop and hot strip mill, their cost was something like INR 2,600 crores.

Brij Bhushan: INR 2,600 crores.

Ashish Kejriwal: Yes. So that's why I was wondering now where I'm missing something.

Brij Bhushan: No, no, no. But you mean to say we are doing at a higher cost or you mean to say we are doing at a lower cost. I'm not very.

Ashish Kejriwal: No. See, their steel melting shop only cost around INR 2,000 crores for 3 million tons. And then hot strip mill is separately, which is around INR 2,600 crores. That's what I asked whether this 1.58 includes only hot rolled mill?

Brij Bhushan: We cannot set up any hot rolling mill at INR 2,600 crores. There are some -- NMDC was a government plant, which took almost 9.5, 10 years to set up. I will not be very clear, but for 1 million-ton, steelmaking facilities, you need a \$1 billion, which is around close to INR 8,000 crores to INR 9,000 crores approximately. And CR -- sorry?

Ashish Kejriwal: Yes, because that \$1 billion ballpark that includes entire thing, blast furnace, sinter plant, coke oven,

Brij Bhushan: Yes, I am saying, yes. So this is what we are putting up just an intermediate plant of steel melting shop and HR. I mean this HR mill has a capacity to do up to 3 million tons. But maybe in the second phase, we will be ramping up by adding more steel melting shop and all.

But at first phase, seeing the present scenario, we don't want to get into more iron making and all. And we are targeting a very specialized product in our HR plant, a very thinner section and specialized steel as well.

Ashish Kejriwal: So are we making slab also on this?

Brij Bhushan: No, no, it is a CSP. It is no slab completely.

Ashish Kejriwal: So we will purchase slab from the market, convert it into HR coil?

Brij Bhushan: No, no, no. Steel melting shop and we'll be making thin slab, which is as good as -- it's a completely hot rolling. No, reheating. There's no reheating it.

Ashish Kejriwal: Okay. So that means SMS as well as steel melting shop.

Brij Bhushan: Latest technology of this 22nd century. So we don't have to look back and we have tied up with the world's best conglomerate who is number 1 in the world who give to Nucor or all the world best plan and -- best plant in India also. Nothing, zero compromise.

Moderator: Thank you. The next question is from the line of Rajesh Majumdar from 360 One Capital. Please go ahead.

Rajesh Majumdar: I had a couple of questions. So if you look at our EBITDA, quarterly range used to be between INR400 crores to INR450 crores in FY '25. And then now we moved to about INR500 crores to INR570-odd crores range in the last 4 - 5 quarters.

And now with most of our capex already completed and probably just about INR1,500 crores, INR2,000 crores left, on the INR 9,000 crores capex that we have done, INR9,000-odd crores, what would be our EBITDA range -- quarterly EBITDA range, say, from 1Q FY '27 or whatever onwards that we can see?

Brij Bhushan: We are seeing like this year, we are expecting that we should be having a growth of close to 20% over the next year minimum, 20% - 25% last year. Coming year as well, we are projecting that we should be maintaining the same growth what we are doing now.

And if you see the fineness of the balance sheet being in so multi varieties of products and all, we have been very perennial on our profitability numbers and all on our projections because in last couple of years, we have spent more on the cost side by adding power plants, getting into a value-added, creating our institution more perennial and more sustainable.

And we expect that we should be growing at least close to 15% to 20% year-on-year for next 4, 5 years, minimum. And with the growth on the numbers, volume and value -- and the sales prices, we'll see that the numbers of the percentage of EBITDA will also improve.

And if the top line is improving on the volume growth of the additional capacities and putting more downstream and all, we'll see the percentage of EBITDA will also improve with the revenue and all. So this is what we are focusing like when you are -- we are talking from the stainless steel point of view, we are seeing there will be a lot of penetration in the value addition, and we'll see the margins going up.

We'll see a lot of penetration coming up from the doubling the cold rolling mill capacity, the numbers will change. And once you put up the larger capacity, your cost, your efficiency and everything changes. Aluminum backward integration will help us to hedge more on the raw material side.

We'll be able to manufacture more varieties of aluminum products where we are not able to serve to our clients once we have our own internal manufacturing of foil stock. These are all strategic sustainable move from the organization side.

Deepak Agarwal:

In addition to this, Rajeshji, I would also like to highlight certain thing that sir is telling about the growth, volume growth, which will be around 15% to 20% year-on-year. Suppose if the realization will improve, definitely, the margin will further improve. That is only on the conservative side. The growth will be 15% to 20% as far as when we talk about, it is basically on account of volume growth.

Rajesh Majumdar:

So you're not taking cyclical into account, you're just the current market conditions and projecting the numbers accordingly. If there is a price...

Brij Bhushan:

We are always conservative. After 3 years, Rajesh, you can't tell us that we are very -- we want to be very firm on our see whatever promises we have done in the last 3 years on the growth side and all when we set -- we did an IPO 3.5 years before with a top line of INR 6,000 crores and EBITDA of INR 600 crores, we are talking of this year more than 3x. You have to -- these things, we have to -internally we have to do analysis and come to a true solution.

It will not be fair on our part, but we are conservative. We want to make sure that what we say we deliver it, and what we want to create is a world class. We cannot be -- after 3 years, we cannot be any company where we have to compare with any of the commodity player or any of these specialized. Shyam Metalics should be a company where we should be able to showcase a different level of value to the shareholders.

Rajesh Majumdar:

Right, sir. My second question is also related to your conservativeness in a way. Your low leverage is actually leading to a kind of low return on equity for the shareholder because since you are a AA+ kind of a borrower, the debt levels in a metal company are normally much higher we see everywhere.

But if we are able to have a more balanced leverage structure in our balance sheet, then our ROEs can improve substantially because even at the peak, as per my calculations, our ROEs are still not crossing 13%, even if you take the entire capex into consideration. So just a thought that maybe we can increase our dividend payout, we can increase our debt leverage a little bit in order to improve our ratios.

Brij Bhushan:

This is also because of a very subdued market. Apart from that, you have to understand in spite of so much challenges, what you are seeing in this sector from last couple of years, we have been very perennial. We are prudent, but we don't want to take any risk on any of the businesses where we see that we are not very comfortable.

And we are not actually strolling any of our vision due to the capital constraint or anything. I know there is no capital constraint. We are prudent. It is better if we are prudent and we are more conservative. So this is a way any of the steel company is not a debt free. When we are talking any of the steel company AA+, we are not talking from today, but we are talking from 20 years

So, there are a lot of things where we can improve our margins, which we are working on that by adding more value added. I know the -- it takes a lot of time for a new product, some emerging metals where we see the numbers are changing. We are trying to add more value on that. And we want to definitely place the company at a unique position where leverage, yes, we have to be always the least or no leverage company, I would say.

We have to try our best, but we have enough head in case we require, we get an opportunity, we will grab it. But we don't want to be extremely aggressive because your company is growing at 15% - 20% CAGR, 25% CAGR from last 25 year We are growing. And the way we are growing, we will be growing. But we want to be very extremely prudent on our thought, on our values.

Yes, my capex is very low because we feel that we are very efficient. That is also one of the strength of Shyam Metalics. And we are adding a lot of new projects to curtail the cost. We increase the margins. We are increasing more and more efficiency in our existing businesses. We are trying to learn and learn more from the present tools available, how to further enhance more exercise in bringing more value to the company.

And yes, once the market turns around, we see everything is fine, things will improve more further better. But what you are seeing is the worst. What the numbers you are seeing is the worst in today's time. But I'm 100% sure with the time, it will further improve with the varieties of new businesses, new metal, new value addition, the kind of varieties of product mix on the sustainable part, what we are developing. We'll see a lot of changes happening in the time to come.

Moderator: Thank you. The next question is from the line of Ruchit Agrawal from Unifi Mutual Fund. Please go ahead.

Ruchit Agrawal: Sir, a couple of questions. Sir, on the coking coal bit, we've seen prices move up materially as compared to the last quarter. Any margin headwinds that we can expect from the same, although we've seen steel prices also move up? Anything that we can expect in the next quarter?

Brij Bhushan: Definitely, it's a very volatile coking coke and all. So we have a coking -- we have our own coke oven plant. So your company, Shyam Metalics is definitely going to gain over the price on the delta side from the coking, coke coal conversion point of view.

And prices are looking a little strong and firm for next quarter also, but it is too early for me to share because you never know how it turns around as well. So yes, overall, I'm extremely positive, and we look for we'll be able to play more decent in the time to come.

Ruchit Agrawal: Sir, and on the stainless steel bit, if you could help with the capacity commissioning time lines over the next year. And also this quarter, we've seen the EBITDA per ton for the stainless move up materially. How -- if you could comment on the sustainability part of the same?

Brij Bhushan: See what we did, we just acquired Mittal Corp, 2 years before. And what we have done, we are -- we started a wiring -- stainless steel wire drawing facility. We went forward integration. We

did a trial. We are expanding the capacity. Definitely, on the long product side, the margins will improve day by day.

A lot of new product innovation and development also is in the process. A few has been okayed and fewer is in the process. So in the time to come, yes, once you ramp up your production on the long product side of the existing stainless steel, you go more value-added, big things become more decent and sustainable.

And from the new project, which is coming up in Odisha, it's a huge project. It's not -- we are talking of 0.5 million -- more than 0.5 million flat rolled product where world-class, where we have our own alloy, we have our own power, we have our own steel. We expect that by end of next year, we should be able to commission the plant.

And there's a lot of downstream activities, a lot of value additions, that we realign, a lot of value additions. Products we are lining up so that in the time to come, we should be able to create a long-term supply chain value addition.

Ruchit Agrawal: Okay. Got it, sir. Sir, and last question on the steel bit. We're seeing the color coated sheet move up basically doubling capacities. How is our expansion efforts going on in the parallel flange beams front?

Brij Bhushan: Flange beam is a little bit, I would say, on the flange beam side, it is a little bit on the -- not very aggressive. I think we will be doing some kind of a modification on this action because there's a lot of challenges coming up because we are trying to create a lot of products in our existing facility of the flat product, where we'll be doing a lot of fabrications and all also. So I think it is too early for me to comment, but maybe next few weeks, we'll be able to discuss more better.

Moderator: Thank you.

Brij Bhushan: It's 5 o'clock, dear. I have another meeting. So, Deepak -- hello?

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Omkar Bagwe from MUFG Intime for closing comments. Over to you, sir.

Omkar Bagwe: Yes. Thank you, everyone, for joining us on the call today. I hope the management was able to answer all your queries today. I also like to thank the management for sparing the time and joining the call today. We are MUFG Intime, Investor Relations Advisors to Shyam Metalics and Energy Limited. For any queries, please feel free to reach out to us. Thank you, everyone.

Deepak Agarwal: Thank you. Thank you, everyone.

Moderator: Thank you. On behalf of Shyam Metalics and Energy Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.