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May 16, 2026

**The Secretary,
Listing Department, BSE Limited**
Phiroze Jeejeebhoy Towers,
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Maharashtra, India
Scrip Code: **543299**

**The Manager – Listing Department
National Stock Exchange of India
Limited**
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G-Block, Bandra-Kurla Complex, Bandra
(East), Mumbai 400 051, Maharashtra,
India
Symbol: **SHYAMMETL**

Dear Sir/Madam,

Sub: Transcript of the conference call for Audited (Standalone and Consolidated) Financial Results for the Fourth Quarter and Financial Year Ended 31st March, 2026

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, 12th May, 2026 for the Audited (Standalone and Consolidated) financial result of the company for the fourth quarter and financial year ended 31st March, 2026.

This is for your information and record.

Thanking You,

For Shyam Metals and Energy Limited


Birendra Kumar Jain
Company Secretary
Membership No. F13320



OUR BRANDS



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“Shyam Metals and Energy Limited
Q4 and FY26 Earnings Conference Call”

May 12, 2026



MANAGEMENT: **MR. BRIJ BHUSHAN AGARWAL – CHAIRMAN AND
MANAGING DIRECTOR – SHYAM METALICS AND
ENERGY LIMITED**
**MR. DEEPAK AGARWAL – DIRECTOR, FINANCE AND
CHIEF FINANCIAL OFFICER – SHYAM METALICS AND
ENERGY LIMITED**
**MR. PANKAJ HARLALKA – HEAD, INVESTOR
RELATIONS – SHYAM METALICS AND ENERGY
LIMITED**

MODERATOR: **MR. SUMEET KHAITAN – MUFG INTIME, INVESTOR
RELATIONS**



Moderator:

Good day, and welcome to the Q4 and FY26 Earnings Conference Call of Shyam Metals 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 touch-tone phone.

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

Pankaj Harlalka:

Thank you. Good evening, ladies and gentlemen. I, Pankaj Harlalka, Head of Investor Relations at Shyam Metals, welcome you all to the earnings conference call to discuss Q4 and full year FY26 results. 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 on the BSE and NSE websites.

To discuss the results today, I'm joined by Mr. Brij Bhushan Agarwal, Chairman and Managing Director; Mr. Deepak Agarwal, Director of 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 fourth quarter and FY26. Thank you, and over to you, sir.

Brij Bhushan Agarwal:

Thank you, Pankaj. Good afternoon, everyone. Welcome to Shyam Metals and Energy Q4 FY26 earnings conference call. I will begin with a brief overview of the industry landscape and operating environment, both of which continue to evolve amid global and domestic development.

Globally, the steel industry has remained influenced by trade-related actions across key markets, while the ongoing Middle East conflict has moderated demand in certain regions. These factors have contributed to a redirection of steel flow into the alternate market, resulting in the price pressure across geographic and heightened volatility in global steel prices.

Turning to India. The global steel demand environment remained robust and encouraging. Demand continues to support by broad-based strength across major steel consuming sector, including infrastructure-led construction activity, manufacturing activity, urbanization with spending on huge infra projects such as road, railways, power.

Now coming to Shyam Metals, FY26 has been a very significant year for us, marked by a strong project execution, strategic expansion, operational stabilization. During the year, we achieved meaningful milestones across our manufacturing facility with key highlights, including the completion of CRM complex at Jamuria and the successful commissioning of the blast furnace at our Kharagpur plant.

For FY26, our sales volume stood at 4.94 million tonnes, reflecting a strong year-on-year growth of 26%. In Q4 '26, sales volume registered a growth of 22% over the smart period of last year. Importantly, we maintained sales mix across product categories, while continuing to optimize



realization through a sharper focus on the higher value-added product. The strong volume expansion translated into healthy growth in both revenue and profitability. For the full year FY26, the revenue grew by 22%, while the profitability increased by 17%.

For Q4 '26, revenue rose by 27% year-on-year, while profitability growing about 42%. This performance under planned by our integrated operation, diversified portfolio, sustained operational discipline, continuous focused on cost efficiency.

We also made substantial progress on strategic growth initiatives during the quarter. Phase 2 operation of the CRM complex at Jamuria was successfully commissioned.

In addition, we expanded our aluminum operation at Pakuria through the commissioning of downstream heat treatment process. This development has significantly and meaningfully enhanced our value addition in the downstream capability and further strengthening our integrated manufacturing platform and supporting a long-term growth aspiration.

Reaffirming our commitment to a long-term growth, the Board has additionally decided for a new capex investment of INR2,700 crores. This strategic investment is aimed at a deepen our presence into the value-added and specialty steel segment, downstream stainless steel capability and accelerating with -- the transition towards a higher value-added product with better margins.

The proposed capex will be primarily funded through internal accruals, reflecting our discipline and capital-efficient approach towards value expansion. This investment remains fully aligned with our broader strategy of driving profitable growth through premiumization, downstream integration and prudent capital allocation.

We welcome the changing democratic and policy environment in the state of West Bengal and remain extremely optimistic about the state's next phase of industrialization and growth. As a company with deep roots in the state of West Bengal, we expect a more growth-oriented ecosystem to support faster development in the forms of infrastructure, creating new investment inflow and will add more value to the organization.

With our continued expansion across various metals in specialty alloys, stainless steel, aluminum, railway infrastructure, value-added products, we believe both the state and the company are well positioned for a stronger long-term commitment.

In closing, we remain firmly focused on the substantial growth, improving profitability, creating long-term value for our shareholders. We sincerely 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 up to the financial performance. Thank you.

Deepak Agarwal:

Thank you, sir. Good afternoon, everyone. Thank you for joining us today for Shyam Metals and Energy Limited earnings call for the fourth quarter and full year ended 31st March 2026. I am Deepak Agarwal, Chief Financial Officer of the company, and I'm delighted to present our financial results on behalf of the Board of Directors and the entire Shyam Metalics family.

I will take you through our key financial highlights for the fourth quarter and the full year that is '25-'26, followed by a discussion on our capital allocation strategy, balance sheet strength and the strategic investments we are making for our next phase of growth.

Our Chairman and Managing Director, Shri Brij Bhushan Agarwalji, has already shared his vision. I will now add the financial dimension to that story. First, we will discuss about the quarter 4 of the current -- last financial year. Ladies and gentlemen, I am proud to report that the quarter 4 of the last financial year has been one of our strongest quarter on record across every critical financial metrics.

Let me walk you through the highlights. The revenue from operations INR5,240 crores, 27% growth year-on-year and 19% growth on quarter-on-quarter. When we talk about the EBITDA, the company has achieved INR756 crores, there is a growth of 33% on a year-on-year basis and there is a growth of 40% on a quarter-on-quarter basis. When we talk about the EBITDA margin, 14.4%, expanded from 13.8% from the quarter 4 of the last financial year and 12.2% in quarter 3 of the last financial year.

When we talk about the operating EBITDA, the company has achieved INR727 crores, a growth of 41% on a year-on-year basis and 49% on a quarter-on-quarter basis. As you are all aware that there is substantial is -- treasury is there. Therefore, our total EBITDA is INR756 crores. The operating EBITDA margin is 13.9% versus 12.4% in quarter 4 of the last financial year. When we talk about the profit after tax, INR312 crores, 42%** growth on a year-on-year basis and 58% growth on a quarter-on-quarter basis.

The PAT margin is 6% against 5.3% in quarter 4 of the last financial year. What makes this number particularly gratifying is not just the magnitude of the growth, but the quality of it. Our margin expansion has been achieved through disciplined cost management, improvement in realization across most product categories and a favorable shift in our product mix towards higher value-add segments.

Now I will discuss the full year performance that is '25-'26. Therefore, the annual turnover for the whole year is INR18,552 crores, that is 22% growth on a year-on-year basis. Full year EBITDA is INR2,537 crores, that is a growth of 21%. Full year EBITDA margin is 13.7% against 13.8% in the financial year '25, resulting amidst slight input cost pressure. Full year operating margin is INR2,333 crores, which is 25% on a year-on-year basis. The full year operating EBITDA margin is 12.6% against 12.3% in the last financial year.

The full year PAT is INR1,061 crores, 17% growth on a year-on-year basis. The full year basic EPS is INR38.1 per share against the INR32.7 per share last financial year. Crossing the INR8,000 crores of revenue threshold and delivering over INR1,000 crores of PAT for the full financial year underscore the scale and earning power that Shyam Metalics has built over recent years. This is a business firing on all cylinders.

Now we will discuss about the volume growth and per tonne realization. The revenue growth is always most meaningful when it is accompanied by a genuine volume expansion, and that is precisely the story here. Overall, the volume grew by 22% on a year-on-year basis and quarter

4 '26, validating both our capacity expansion investments and our strengthened market positioning.

Let me highlight some of the most significant volume growth, volume achieved during the quarter 4 of the current financial year. The CR coil volume surged by approximately 200% on a year-on-year basis, reaching 50,344 tonnes, a testament to the ramp-up of our CRM complex at Jamuria.

The pig iron volume grew by 200% on a year-on basis that is 2,03,499 tonnes, reflecting the strongest domestic demand and our expanded product capabilities. Iron pellet volume grew by 40% on a year-end basis that is 2,78,341 tonnes, driven by operational efficiency and improved realization.

The stainless steel volume grew by 13% year-on-year basis to 27,287 tonnes, continuing our premiumization journey. On per tonne realizations, we saw healthy improvement across most product lines. Aluminum realization improved by 16% year-on-year basis, that is INR4,07,461 per tonne.

Stainless steel realizations improved nearly 17% year-on basis. CR coil, CR sheet realizations rose approximately 15% on a year-on basis, that is INR78,513 per tonne. This improvement reflects both firm underlying demand and our deliberate push towards value-added and specialty product with a superior margin profile.

Let me now walk through some key observations on our consolidated profit and loss account. First, revenue mix. Our steel products segment continued to anchor the business, contributing approximately 75% of our total revenue mix in both quarter 4 and the full financial year. Within this, carbon steel remains our single largest contributor at approximately 39% of revenue, followed by pig iron, iron pellet, specialty alloy and stainless steel.

The growing contribution of CR sheet, stainless, aluminium is deliberately strategic shift, one that is enhancing our blended margin profile. As far as cash generation, I'm particularly pleased to report that our business continued to be a robust cash generation.

The net cash generated from operating activity for the financial year '25-'26 is approximately INR2,000 crores on a consolidated basis, an improvement over the prior year, reflecting the strong earnings working capital discipline. This cash generation capacity is what gives us the confidence to commit our next phase of capital investment.

The Shyam Metalics and Energy Limited continued to maintain a strong balance sheet and healthy return profile in the financial year '25-'26 despite being a peak capex cycle. The company reported ROCE is 16% and ROE is 13% in the financial year '25-'26, reflecting a disciplined capital allocation, operational efficiency, prudent leverage management that resulted into reflection of our working capital days from 22 days to 9 days.

Our financial architecture is designed to support growth without compromising financial resilience. We run a fundamental conservative balance sheet, low leverage, strong operating cash flow and adequate liquidity buffer.



Now we move into the dividends. As you're all aware that the Board of Directors has recommended a final dividend of INR2.7 per equity share, representing a 27% of the face value of INR10 each for the financial year '25-'26. This recommendation is subject to the approval of shareholders at the ensuing Annual General Meeting.

This dividend declaration reflects our confidence in the company's financial health and our commitment to consistently reward our shareholders while simultaneously investing in long-term growth. We believe we strike the right balance between capital return and value creation.

Now moving to the strategic capex. Now let me speak about the first, the most exciting announcement in our results. The Board has approved a fresh capex of INR2,700 crores for our next phase of growth. This investment comprising 2 major projects. One is the long and specialty wire/bar mill. We will be setting up a long specialty wire mill with a furnace at Kharagpur with a capacity of 8 lakh tonnes at an estimated capital outlay of INR900 crores. This project is targeting to commission by 31st March 2029.

Second one is the stainless steel expansion and downstream facility at Sambalpur. We're expanding our stainless steel capacity to 6 million tonnes at Sambalpur complemented by world-class downstream capability, including cold rolling mill, precision cold rolling mill, hot rolling handling and pickling line and a bright annealing line.

This estimated investment is INR1,800 crores with a targeting commissioning date is March 2029. This project will be funded majorly from our internal accrual and which is also a mix of - if any debt is required, then we can take -- otherwise, it will be served through our internal accrual.

Given our strong operating cash flow generation, demonstrated by over INR2,000 crores in operating cash flow in the financial year '25, '26 alone, we are well positioned to fund this capex program while maintaining balance sheet discipline. The evolving democratic and economic environment in West Bengal present a positive outlook for industrial growth and a long-term development.

As a company with a significant manufacturing presence in the state, Shyam Metals remains encouraged by the potential for stronger infrastructure creation, higher investments, improved industrial activity and employment generation. We believe this environment can further support the company's ongoing expansion plan, downstream integration initiatives and value-added product strategy while also contributing meaningfully to the broader economic progress of the state.

We now look forward to taking your question and answer. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Amit Dixit from Goldman Sachs. Please go ahead.

Amit Dixit:

Congratulations for a great set of numbers. A couple of questions from my side. The first one is on the volume growth. So last year, volume growth was quite splendid, particularly of value-

added products driven by CR coil. Now this year, what are the key elements of volume growth? Also, if you could highlight the major capacities that would get commissioned in the course of the year, that would be great? That is my first question.

Brij Bhushan Agarwal: See, first of all, as in volume growth, we are expecting 0.5 million tonne of iron making facility from the DRI side is going to be commissioned this year, which will also have an effect on the power generation, waste heat recovery, and we expect the power generation will also go up.

From the steel side, there will be a substantial growth in the billet manufacturing facilities, what we have commissioned now. You'll see a growth in the billet as well. And there will be a partial growth in our final product like structured TMT with the upgradation and some more feeding of raw material into the steel segment.

In CRM complex, since we are going to commission the Galvalume line within this month end or maybe early next month, so we'll see there will be a substantial volume growth in the flat product in the Galvalume as well as in the color coated. We expect that color coated is going to be having almost the double volume what we saw in this year -- last year.

Apart from that, there will be a substantial value we will see from the cost side also because there will be a lot of new power plants coming up, which is going to be commissioned as well. So whatever little power we are buying from the grid will see there will be an effect -- positive effect on the cost side of the power.

I think majorly apart from this, aluminum plant also will be commissioned this year. We have set up a new caster with foil stock and foil plant. So we'll see this year, the plant will get commissioned and slowly, slowly, it will be stabilized. So there will be a lot of action this year.

Amit Dixit: Great, sir. Wonderful. That's very well explained. The second question I had was on actually aluminum. Now we have seen aluminum prices remaining very robust worldwide. For us, since we are actually converters, so how do you see margins? Is it like a pass-through for us or we get some incrementally higher margins on the elevated aluminum price?

Brij Bhushan Agarwal: I think we should see as a pass-through, maybe because of a little bit more advantage we get because the working capital involvement and the kind of integration, what we are doing from the backward to the forward, we'll see a lot of value coming up, because we'll be -- now we are buying the foil stock. Once we make our own foil stock, we'll see the margin also increasing.

But related to your aluminum price, we should not be very much worried. Whether we are going with a backward integration where we will have a better margins and also with the prices of the aluminum is concerned, it is going to be almost passed through.

Amit Dixit: Okay. Great to know. Just one last question, if I may. I just wanted to get an idea on the capex for this year and next one, if you can?

Brij Bhushan Agarwal: So we have declared a capex like in Ramsarup, we commissioned the blast furnace. Now we are planning to set up a SMS shop and the steel plant, which is going to be a little less than 1 million

tonnes to be more prescribed 800,000 tonnes. The plant is expected to be commissioned by end of next year. And this will have a substantial capex setting up the plant.

But since it is now a brownfield project, and we will be very efficiently, we'll be able to do this capex, like we have announced INR2,700 crores capex in the stainless steel downstream activity as well. There we are seeing comprising of Ramsarup and stainless steel and all. So all this capex is going to be spread in next 2-2.5years.

So -- apart from that, we are setting up a flat product HR plant. Generally, to set up a 2 million tonne of HR plant, it generally costs close to INR16,000 crores to INR18,000 crores. But in our case, only from the HR side, we are almost 1/3 capex, what we have declared because we have all the brownfield facilities.

And we have all forward and backward integration is already integrated. So there's nothing to worry. We have a substantial treasury. We are doing a good EBITDA. And year-wise year, you are seeing that there has been a substantial increase on the numbers and also as on this, it's looking very comfortable.

In case we find there is some kind of a shortfall and all so we are almost a debt-free company. So buying some kind of a short-term debt is not going to be an issue. But as on date, I don't see that will be a problem till we take some more projects ahead. Thank you.

Amit Dixit: Great. In addition to that...

Brij Bhushan Agarwal: Yes, I think he was having one more question. Please carry on.

Amit Dixit: Sir, the one more question I had was on the stainless steel. Now if I look at the EBITDA per tonne of stainless steel, I know it's not great to look at it from a quarter-to-quarter basis, but one of your peers had reported and their EBITDA per tonne actually grew quarter-on-quarter. Now in our case, we have seen a slight contraction in EBITDA per tonne.

So just wanted to understand whether it is EBITDA per tonne contraction associated with some cost during the ramp-up phase or something? Or how do we see margins going ahead? Because stainless steel prices have risen and your -- one of your peers have given a very optimistic guidance for FY27?

Brij Bhushan Agarwal: First of all, they are into the flat product, we are into a long product. And this is -- this was a very old plant, which was taken in the NC through NCLT a few years before. So we are here, we are almost making all the stainless steel from the scrap and right now, our new facility of stainless steel, which is coming up in our Odisha plant, we have a complete integration, like 80% of the raw material is what we are going to feed from our existing plant.

And we are getting into a very higher value-added product. So we will have a blend of long product and flat product. But yes, in the time to come with our power cost of less than INR2 where we are in Indore, we are paying more than INR6 or INR7. We are buying scrap. It's not that big mega size project and all, so definitely, it will have a very positive impactful differences when we commission our Odisha stainless steel plant.

- Moderator:** The next question is from Shaleen Kumar from UBS India. Please go ahead.
- Shaleen Kumar:** Congratulations on a very good set of numbers to both Bhushanji and Deepakji. A bunch of questions. New capex, which you have announced on the asset side both. So what is the end industry are we targeting in both the cases?
- Brij Bhushan Agarwal:** Stainless steel basically -- yes, we are targeting the pipes and tube market, decorative market of pipes and tubes. There is a specialty pipe market also, which is for the precision pipe and all. Then there is some portion is on the decorative side of aluminum, stainless steel, what is used in the elevators and all these other decorative part. And apart from that, some of -- some special category will be catered to the utensil market also and some in the export defense side also.
- Shaleen Kumar:** Got it, sir. Sir, then the 2 question arises here. One, what kind of a profitability or return ratios on those capex you are seeing? It seems like these are value-added products. Second, these will be a little different from our current channel sales. Is that the right assumption? So how are you planning to do the sales here or how you want to target the customer side?
- Brij Bhushan Agarwal:** This is a B2B market presently. All the tube manufacturers in country and outside the country. There's a big market for the stainless steel pipe. So we'll be serving -- serving to these kind of customers in the tube and pipe segment because we are not thinking to get into a stainless steel tube and pipe because it is a very small business and not a very scalable or a big volume where we need to interact ourselves.
- And apart from that, it's a very open market. India is growing, and there's a good demand. And we are seeing that more and more decorative and being one of a very cheap product, it's not very expensive on the decorative segment. And we are seeing in interiors and everywhere around, the stainless steel penetration is increasing. So we'll be able to build up more and more penetration in this category.
- Shaleen Kumar:** Got it, sir. Any sense on what kind of EBITDA per tonne or return ratios you're looking for this kind of investments?
- Brij Bhushan Agarwal:** EBITDA, generally, this is a very interesting business. So I would say, generally, it turn from around INR15,000 to INR20,000 a tonne. So but our overall calculation is in the range of INR12,000 to INR15,000. But it's fetching more in this segment because if you are making everything from the iron ore to the final steel, the EBITDA should be more than INR18,000. It's going to be interesting product.
- And apart from that, 80% of the ingredient you are using from your existing product, the steel, the specialty alloy, ferroalloy, power is yours. It's a brownfield. So it's nothing where you are building up a raw material inventory within your capital cycle. So the yield of the capital is going to be definitely better.
- And it's also going to create more sustainability with this kind of a business which we enter. And there's going to be a lot of potential in the near time to expand and to invest more precious money in the value-added and more sustainable business.

Shaleen Kumar: Got it. Fair enough, sir. Bhushanji, one more thing. In this quarter, we can see there's a clear uptick in the realization for most of our segments. I just want to pick your view here because we have a lull for quite some time, there's a softness in the realization. So do you think this -- there is still room for this realization to move up from here for most of your products? You think they will be stable or you see that there's a risk for the -- given the global scenario...

Brij Bhushan Agarwal: There is no chance to go above from this level because now we are entering into a monsoon session. So -- and apart from that, I think the market is pretty good, like if you see we have -- the EBITDA is close to 14% on the overall. So I think it's a very decent might be 1% here or there, it doesn't matter. And for us, if you really ask me, market is in none of body's control. We are more focused on our efficiency and cost.

But to be more optimistic and realistic, I would say the business will remain stronger because today, still, we are fenced by the geopolitical issue. There's a lot of restrictions on the logistics side, export market. There's a lot of spending is going to come globally. Like earlier, none of the countries use to spend on the development side and all with the new revolution and new age, what I see with this multiple war crisis and all.

I see India is going to have a good say in the international participation. And the metal company in India will grow domestically with the internal demand and also will have an edge and the opportunity to participate internationally also in a very big way.

Shaleen Kumar: Fair enough, sir. Definitely. And I think there's a change in political atmosphere in West Bengal as well. I hope that also favors us. One more bit, sir. Like if I look at the quarter EBITDA, it's very good. And if I annualize it, we will be -- it's like we are crossing more than INR2,800 crores. So how should we think about it? So one leg is this where we have already achieved this number.

And then there are incremental things which are happening. For example, when I look -- I was looking at your presentation, the second phase of CRM has only started in April. So I think it was not a contributor, if my assumption is right, it was not a contributor in the fourth quarter. So the benefit should come in FY27.

Then again, as per your presentation, you should be finishing your phase 2 of aluminum, right, within FY27. So some benefit of that should come. So then if I put all these things together, can we look or expect EBITDA of more than INR3,000 crores for FY27?

Brij Bhushan Agarwal: Shaleen, when I told you last time I remember, I was always speaking close to INR1,800 crores to INR2,000 crores EBITDA for this year. You remember all my -- and fortunately, we landed into '24, '25, including other income. And on this realistic term, it was the operation was close to INR2,300 crores plus, correct?

Shaleen Kumar: Yes.

Brij Bhushan Agarwal: I would be a little bit more conservative. Like I don't want to say because for us, I've been always very, very conservative and prudent on my say on my project and on my targets and all...



- Shaleen Kumar:** But sir, what's wrong in my assumption here, if I simply say that I understand your...?
- Brij Bhushan Agarwal:** No, you'll be -- you're not wrong. You're not wrong, but maybe nearby, maybe plus or maybe 5% here and there, I expect. You're not wrong. You're right.
- Shaleen Kumar:** Any sense if we can get from you or Deepakji, if not now even later is helpful, what kind of EBITDA contribution you're expecting from the CRM and aluminum plant in FY27 that can help us like have some set of contribution from them. Is it possible to share?
- Brij Bhushan Agarwal:** I think the CRM EBITDA is going to be close to INR10,000 to INR11,000 per tonne this year from the -- and the aluminum EBITDA, I think, should remain between INR35,000 to INR40,000, because this year -- please.
- Shaleen Kumar:** Yes, the timeline of aluminum because it's still in the commission. So can we expect it to happen in first half of FY27?
- Brij Bhushan Agarwal:** First half, we will be starting commissioning and all. So we'll start seeing the effect in the second half, more better and from -- because all these high-tech plant, it takes time. And it's a greenfield for the new foil plant and all that stuff. So this will take time. But yes, definitely, it will have more and more positive impact time to time with the quarter-to-quarter.
- Shaleen Kumar:** Just last bit, and then I'll join back the queue. On the battery foil, so we -- our product is qualified with the customers?
- Brij Bhushan Agarwal:** Yes, yes, it will be. We are all done.
- Shaleen Kumar:** Not sure if you would like to, but would you like to share the name of the customers who are likely...?
- Brij Bhushan Agarwal:** We have done this. There is a nondisclosure agreement because -- but still, we have been qualified long back once we see a battery line coming up middle of this year and all. So we will be penetrating in the battery foil.
- Shaleen Kumar:** And there will be more than one customer.
- Brij Bhushan Agarwal:** Sorry?
- Shaleen Kumar:** There will be more than 1 customer?
- Brij Bhushan Agarwal:** 2 to 3 customers are there.
- Shaleen Kumar:** 2 to 3 customers. Okay.
- Deepak Agarwal:** Shaleenji, in addition to this, as far as future guidance for EBITDA, the sir is always been a very, very conservative. But if you see in our financials with the commissioning of aluminum, with the commissioning of CRM, with the commissioning of 0.5 million tonne of sponge iron and the commissioning of blast furnace as well in the last financial year.

The full year impact will come up in this financial year. So definitely, we will be achieved whatever we have achieved in the last financial year. But sir will always say on a very conservative side because he always believe only in the committing less, delivering more following only this policy.

Brij Bhushan Agarwal: I think this year, we will be very comfortable with our growth close to 30% over this year. Over the last year, we were very comfortable, yes.

Shaleen Kumar: I can -- like if all your projects execute and if the realization doesn't really hurt, then I don't think so any reason that why we should not have a 30% kind of profit growth -- operating profit growth.

Deepak Agarwal: Yes. Shyam Metalics will always believe on the volume growth. Shyam Metalics will never depend on the realization side. If you look into our last 4 quarter financials, you will find we will be always giving the sustainable EBITDA or sustainable volume growth is there over a period of time.

Moderator: We have next question from Ashish Kejriwal from Nuvama Wealth Management. Please go ahead.

Ashish Kejriwal: Sir, many congratulations again for a good set of numbers and delighted to hear about your midterm growth plans.

Brij Bhushan Agarwal: Thank you, Ashish. I hope we are keeping you happy with all your questions.

Ashish Kejriwal: Yes sir, so far it's going good. Sir, I have 2 questions. In fact, if I look at our inventory as well as payable days, that has increased significantly in this quarter or maybe in this year. So is there any change in the strategy? I understand that maybe we may have booked some higher iron ore or coal in order to take advantage of lower prices earlier, which could have increased our inventory days. Is it so? And what about the payable days, why it has increased? So any change in the business strategy on that front? That's my first question.

Deepak Agarwal: I can take this question. As far as sharply increasing the inventory only because of if you look into the last year financials, there were no commissioning of blast furnace, there were no commissioning of CRM. The one factor is we are positioning the raw material of CRM as well as the blast furnace, cooking coals and something.

And in addition to this, also we are taking the positioning of iron ore, iron making raw materials. That is -- if you look into our financials also, our inventory level in the last quarter was 99 days. Now we are taking the positioning of 123 days of inventory days. This is the only reason for increasing our inventory.

Ashish Kejriwal: Okay. So we have taken higher than what is warranted as of now, and it will be liquidated in first or second quarter. Am I right, sir?

Deepak Agarwal: Correct.

- Ashish Kejriwal:** Okay. And what about payable days, sir?
- Deepak Agarwal:** Payable days is approximately is like 130 days, 130 days.
- Ashish Kejriwal:** Yes. So it has increased significantly from our normal scenario. So is this a one-off type or...
- Deepak Agarwal:** No, this is not a one-off. We have credential -- our credential is there. So whatever we are procuring most of the raw materials are on a credit basis. If you look into our cash conversion ratio is very, very good.
- Ashish Kejriwal:** Okay. So that's great, actually. It's more of a working capital financing and if we are effectively doing it, nothing. So this is not a one-off, it can sustain for longer?
- Deepak Agarwal:** Correct. Correct.
- Ashish Kejriwal:** Okay. Great. Second question is, sir, in terms of cost of -- or cost of steel making in fourth quarter, what kind of cost increase we have witnessed? Because if I look at the price hike and EBITDA per tonne, it's almost half, like steel EBITDA per tonne increased by roughly around INR2,600 per tonne and price increase is something like INR5,100. So what kind of price increase we have witnessed in fourth quarter, which led to lower EBITDA per tonne compared to the price hikes?
- Brij Bhushan Agarwal:** I'm not clear, Ashish. Can you just repeat once again?
- Ashish Kejriwal:** So sir, if I'm comparing fourth quarter EBITDA per tonne of steel versus third quarter, we are seeing that EBITDA per tonne increased by roughly around INR2,600, whereas the price increase in the carbon steel is around INR5,100. So roughly around INR2,500 cost increase could be there. I was just trying to get a sense of where this cost increase we have witnessed whether it's...
- Brij Bhushan Agarwal:** We will not be very appropriate in answering your question. But overall, I can say because when you are into such a big ecosystem, you have your bookings. You have your pre-advanced booking for more than 2 months, 3 months in the system. And there are some deliveries which has to happen. So there must be a lot of old carryover of a lesser price, which may be affecting an average outing and -- but maybe one of the reasons. And there cannot be any other reason because whatever the market is, it is a very open price.
- If the EBITDA per tonne is to be the price which has gone up by some cost effect must be there because of cost is increasing because of the vessel freights and all your import prices, your limestone and everything is going up. So there must be some kind of a cost pressure also, which maybe also have some kind of a substantial pressure.
- Deepak Agarwal:** No, this is basically the restatement of imports, the fluctuation loss, the dollar weakness, rupee weakness, that will be the impact on the cost side also.
- Ashish Kejriwal:** Is it possible to quantify that, sir?

- Deepak Agarwal:** That we can share you. It will be...
- Ashish Kejriwal:** I can talk to you later on, sir, on this one.
- Brij Bhushan Agarwal:** Yes, yes.
- Moderator:** The next question is from Satyadeep Jain from Ambit Capital. Please go ahead.
- Satyadeep Jain:** So first, just a follow-up to Amit's question earlier. What -- you put together different moving parts in terms of capex. But what exactly -- can you guide to what kind of capex can we look at in FY27 specifically?
- Brij Bhushan Agarwal:** Deepak, will you answer?
- Deepak Agarwal:** yes. As far as commissioning of capex in this financial year, our share is already shared the 0.5 million tonne of sponge iron -- we will be commissioning...
- Brij Bhushan Agarwal:** No, no, they're talking about the value capex, not the -- how much money we are...
- Satyadeep Jain:** Not the capitalization, not the...
- Deepak Agarwal:** No, as far as the total capex is required to be incurred is around INR10,000 crores. And this financial year, we will be incurring around INR2,900 crores from this financial year and INR3,000 crores in the next financial year and balance will be the next 2 financial years.
- Satyadeep Jain:** Okay. On that, sir, just generally, wanted to understand the thought process last few years, the intent was to remain net cash. As depending on different moving parts for earnings, there may be a requirement to take on short-term debt, as you mentioned. Is the company now more comfortable with debt with this size? What's the thought process on capital structure as you look at all these capex? Just wanted to understand the thought process.
- Brij Bhushan Agarwal:** No, very comfortable. We have been very, very mature in last 25 years. All these things, we have been handling very prudent. So all these capex, what we plan is seeing our cash flow, the net cash because we don't have any kind of a major debt. There's no interest. So whatever net cash, if you see last year on this, we must have made close to around INR1,800 crores, INR1,900 crores net cash in the company because there's hardly any interest cost.
- And I think it's more than INR2,000 crores. So this year also, we expect that we will have a substantial cash. And when you do a capex, you have long-term plans. When you buy machines and all, you get a lot of time credits and all. So I think we are very comfortable as of now, nothing to worry.
- Deepak Agarwal:** And as far as in addition to that -- in addition to this also, I would like to add one more thing. As far as debt is concerned, in our system, we have a debt policy in the system is also there. Our debt will not cross at any point 0.5x to the total equity in any point of circumstances. So we will follow this debt policy. And if you look into our financials, our cash generation over a period of

time will come up around INR2,000 crores to INR2,500 crores, and we can easily meet whatever be our capex program overall in the next 3 to 4 years.

Satyadeep Jain:

Okay. Secondly, on West Bengal. So you mentioned there is optimism around improvement in infrastructure and all. Just on your Jamuria location after the HSM, the new capex that you built, what kind of optionality is there just in terms of land package between Jamuria, Sambalpur -- and my understanding was that after this capex, the land availability might be somewhat limited, but correct me if I'm wrong, and what are the plans for expansion in West Bengal capitalized in case you're looking at that optimism and activity there?

Brij Bhushan Agarwal:

Satyadeep, for next 3, 4 years, we don't have to worry. And we are also in the process of procuring more land adjoining our plant because I don't see any problem as on date. And for next -- we have a clear window for next 3, 4 years, like there is no issue of any land. And some parcels and all, we are already in the process of acquiring. And it looks everything good, yes.

Moderator:

The next question is from Mr. Vikas Singh from ICICI Securities. Please go ahead.

Vikas Singh:

Sir, my one question only on the stainless steel capex. Given the current circumstances when the government duty protection is more towards the steel, expanding into the stainless steel where usually the quality control orders had not been there. Just wanted to understand why we have been putting still emphasis on the stainless steel could have been delayed or the ROE or ROCE of stainless steel versus steel, how is it sitting right now?

Brij Bhushan Agarwal:

See the carbon steel prices is close to \$800, as we talk. And the stainless steel prices are close to on an average, \$120, \$130. I mean to say \$1,200, \$1,300. So in our case, more than 80% raw material for making stainless steel is downstream. So we are doing a carbon steel development also. We are putting up an HR coil plant.

And we are also developing in the stainless steel market because the EBITDA in the stainless steel is better than the carbon steel because it is more niche, it is more expensive. And also, we have an advantage that we are doing a forward integration, and it also help us to -- for a proper capital utilization because the working capital load is very less.

For a general people, if they want to stainless steel, they have to buy scrap, they have to put an inventory of 3, 4 months and a lot of issues are there. But in our case, we have an advantage. And we are also developing into a new metal where we see that in the time to come, we should be able to position more stronger. We started with a small acquisition in the stainless steel.

Right now, we are doing a run rate of around INR130 crores, INR140 crores every month in last 2, 2.5 years. Now we are thinking of doing a run rate of close to INR300 crores in next 3 years, every month. So the business is different. But we have a lot of advantage. We have our own power, we have our own alloy.

And what we are doing, we are just doing a value addition. For me, it is a new business also, and we are doing a value addition in our existing business also. Strategically, we are very different as a stand-alone industry or our integration, if you see in the stainless steel business.

- Vikash Singh:** So in terms of ROCEs or return ratios, at current price point, how both steel and stainless steel stack up for you?
- Brij Bhushan Agarwal:** Very difficult question. At what hour you are asking me this question, the hour changes. But anyway, this is always a better. It is always a better. I would say, in comparison with the capital, it will have an edge of around more than 20%, 30% over the carbon steel always because it is a limited addition, the challenges are more and it is a niche market. It is not a commodity product. It is a niche product.
- Moderator:** The next question is from Mr. Rajesh Majumdar from 360 ONE Capital. Please go ahead.
- Rajesh Majumdar:** Sir, just one question from my side. What is the status of the ED case on the coal, which you mentioned in the note because this is dated 15th April, so we are in almost mid-May now? Has it been resolved? Or is there any other thing on this matter? And now...
- Brij Bhushan Agarwal:** There is absolutely not to worry because there's nothing -- they have given some letter. We are replying. And it's nothing to be worried of because there's nothing which is of an evidence or something on the statement, they have given a notice. And that statement will not stand because it has been applied to almost major steel industry in the city. We are one of them, being one of the popular steel industry, so we are on the highlight, but we don't have to worry.
- Rajesh Majumdar:** And just a follow-up with the political change now established, this will be...
- Brij Bhushan Agarwal:** I can't answer all these -- your question. You should meet me separately and take the answers. It's not good.
- Moderator:** The next question is from Tanuj Nangalia from SKP Securities Limited. Please go ahead.
- Tanuj Nangalia:** Congratulations to the management on a strong set of numbers for FY26. So my first question is on the stainless side. So nickel is up nearly 20% since December on the Indonesia supply cuts. So do we see any challenges in the nickel sourcing going forward? And is the cost increase something we can fully pass through to the customers?
- Brij Bhushan Agarwal:** See, nickel is always going to be a challenge. Nickel in the stainless steel is always going to be a challenge. It is not going to be an easy affair. But in our portfolio of our products, more than 70% or close to 75%, our stainless is majorly without nickel. We are focusing on the grade, which has a minimalistic or no nickel. 20%, 25% to cater the complete basket, we have to have a nickel.
- We have to import the nickel from Indonesia. Also, we have to import the scrap, which has a high content of nickel. But yes, it is generally in most of the time, it is passed on. So whatever the nickel price goes up, the stainless steel price goes up. But there is always a carryover of your inventory plus and minus, which is a regular transitional process, which everybody has to abide.
- Tanuj Nangalia:** Okay, sir. Got that. And sir, next question is on the aluminum business side. So is there any decrease in the export order booking due to the ongoing geopolitical conflict? And are we able to service...?



- Brij Bhushan Agarwal:** We are oversold. We are not able to supply to the international market, touchwood.
- Tanuj Nangalia:** Okay. And also with the rupee depreciating, do we see there is a margin tailwind given in the aluminum side, the export business?
- Brij Bhushan Agarwal:** These are all temporary pass on. Everybody knows India is a dominating market. They have a special supplies and all. So whatever is there, it is all passed on plus or minus. So maybe periodically, 1 or 2 months, it matters. But the consumer, they take up the price, they take up the hit because once people have to use aluminum, there's no substitute. So it is like general other industries, yes.
- Moderator:** The next question is from Harish Subramanian from Unifi Capital Private Limited. Please go ahead.
- Harish Subramanian:** Just one question from my side on the Central Pollution Control Board, what came out in terms of the observations? So can you explain what was the non-compliance?
- Brij Bhushan Agarwal:** No, no, there was some kind of error, which was identified by the Board inspection, which was resumed in 4, 5 days, and we have taken all the action. And in the time to come, we will take it more seriously and see how best we can deliver. Yes.
- Harish Subramanian:** Sure. Within this 3 months' time period, do you believe you will be able to fully address and compliance -- and comply with the observations were given?
- Brij Bhushan Agarwal:** Yes, yes. Not a problem.
- Moderator:** The next question is from Preet Jain from Niveshaay. Please go ahead.
- Preet Jain:** Sir, my question is been covered.
- Brij Bhushan Agarwal:** I have my flight to catch. Can we...?
- Moderator:** This was the last question, sir. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Brij Bhushan Agarwal:** Thank you.
- Moderator:** On behalf of Shyam Metals and Energy Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.
- Deepak Agarwal:** Thank you.