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The Secretary, Listing Department, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Maharashtra, India Scrip Code: **543299**	**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**

Dear Sir/Madam,

Sub: Transcript of the conference call for Unaudited (Standalone and Consolidated) Financial Results for the Third Quarter and Nine Months Ended 31st December, 2024

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 Wednesday, 29th January, 2025 for the Un-audited (Standalone and Consolidated) financial result of the company for the third quarter and nine months ended 31st December, 2024.

This is for your information and record.

Thanking You,

For Shyam Metalics and Energy Limited

SHYAM METALICS AND ENERGY LIMITED KOLKATA

Birendra Kumar Jain
Company Secretary
Membership No. F13320

“Shyam Metalics and Energy Limited

Q3 FY ’25 Earnings Conference Call”

January 29, 2025

MANAGEMENT: **MR. BRIJ BHUSHAN AGARWAL – VICE CHAIRMAN AND MANAGING DIRECTOR – SHYAM METALICS AND ENERGY LIMITED**
MR. DEEPAK AGARWAL – EXECUTIVE DIRECTOR, FINANCE AND COMPLIANCE – SHYAM METALICS AND ENERGY LIMITED
MR. PANKAJ HARLALKA – HEAD OF INVESTOR RELATIONS – SHYAM METALICS AND ENERGY LIMITED

MODERATOR: **MR. SUMEET KHAITAN – ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '25 Earnings Conference Call of Shyam Metalics and Energy Limited, hosted by Orient Capital. 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, the Head of IR from Shyam Metalics. Thank you, and over to you, sir.

Pankaj Harlalka: Thank you, Aleric. 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, a very happy new investing year, and a warm welcome to the third quarter FY '25 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 attendant 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-month results FY '25, I'm joined by Mr. Brij Bhushan, Vice Chairman and Managing Director; Mr. Deepak Agarwal, Executive Director, Finance and Compliance; and Mr. Sumeet Khaitan from Orient Capital, 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 Agarwal: Hi. A very good afternoon to everyone, and thank you for joining the call. This quarter, we achieved a very strong operational and financial performance despite facing a challenging macroeconomic environment. Our proactive approach to managing these challenges has enabled us to maintain profitability while staying aligned with our long-term growth objectives. Our diversified business model continues to yield positive results, further reinforcing our confidence in our strategic vision.

This quarter, financial performance has validated our innovative approach, reaffirming our expansion effort and steering the company towards sustainable growth and long-term success. Our production capability and facilities have remained robust, driven by our commitment to operational excellence, continuous investment in advanced technology. Though modernization and process enhancement, we have significantly improved both capacities and product quality across our portfolio.

During the quarter, we successfully commissioned operations at our blast furnace at our Jamuria plant. This marked a significant milestone in our expansion strategy. With the facility already in production, the plant is expected to enhance our bottom line by improving the cost efficiency. As a part of progress, we sold the trial production of liquid steel pig iron from the plant in this quarter, which was well accepted in the market as a quality product.

Additionally, we have also commissioned our cold rolling mill complex, and we were able to start with a small tonnage of cold rolling coils during this period. Our focus on value-added products remains as a key driver of growth, having achieved a CAGR of 43% over the last 5 years.

We as well anticipate continuous expansion in this segment, supported by the introduction of new high-value products in the coming year. Since our IPO is in 2021, we have announced a capex in the multiple phases. And out of the total capex of INR10,000 crores, close to INR5,873 crores has been incurred in 9 months FY '25, amounting to nearly 59% of the total planned investment. Of this, close to INR4,350 crores have been capitalized by FY '25 in the 9-month quarter.

With the successful commissioning of the coke oven plant, batteries, the power plant, blast furnace, cold rolling mill, a substantial portion of the incurred cost has been capitalized, including a significant amount in the last quarter alone

In the aluminium segment, particularly, in the specialized foil product, we have emerged as country's largest exporter of specialized foil. And looking ahead, we plan to strengthen our presence in the space by better niche product in the specialized application, which will drive both in the terms of volume, profitability in the coming years to come.

The trust which has been shared by our investors and as a participation in this institution in the last few years, we had strengthened and identified efficiencies, both vertical and horizontal integration, enabling us for perennial sustainable profitability, diversifying into B2C space, reducing the cost, increasing the efficiency of the existing plant, and also enhancing our forte more into the specialized and value-added products and increase our contribution in the terms of revenue and also increase the bottom line and profitability in the organization.

We are pleased with the progress made in this quarter, both in operational execution and strategic advancement. We remain confident in our ability to deliver long-term value to our shareholders. Our unwavering focus on the operational excellence, sustainability, innovation, and cost efficiency will allow us to navigate short-term challenges, while positioning us for sustained growth in the year ahead.

At Shyam Metalics, we leverage our deep expertise in high capex business and metallurgy to drive sustainable growth by continuous execution on the long-term strategy and improvement on our daily learning and application and implementation for the betterment in our business strategy that boost volume and relentlessly optimize the efficiency.

We are positioning to achieve a minimum of double-digit CAGR annually. This approach not only fuels our growth strategy trajectory, but also enhances the profitability through the continuous cost effectiveness and improvement in the performance.

Now with this, I conclude my speech, and I would now request our CFO, Director, Mr. Deepak Kumar Agarwal, to take us through our financial performance. Thank you so much.

Deepak Agarwal: Thank you, sir. A very good afternoon and a happy New Year to all the participants. I thank all of you for taking time out on this call to discuss the results for the third quarter of the current financial year ended 2025. The global operating environment remains influenced by geopolitical and ongoing economic slowdown in the major region. Steel exports from China averaging 9 million tons per month in 2024 have contributed to a decline in the steel prices worldwide, including in India.

Though we are not directly affected, ripple effect is seen. Moreover, for the first time, we have been seeing the long products price have been higher than the HRC prices. The macro environment has been challenging since the start of this year, driven by the factors like sluggish retail demand and a slowdown in the government spending. I would like to share a quick review of the reported consolidated financials for the third quarter under review.

There has been a 13.2% revenue growth in quarter 3 of the current financial year, vice versa quarter 3 of the last financial year. We have been consistent cash positive with a net cash balance of INR768 crores in the quarter 3 of the current financial year as against the positive of INR1,099 crores in the quarter 2 of the current financial year.

As you all are aware that the power -- we have 82% of the power sourcing from our own captive power plant at a price of INR2.4 per unit in quarter 3 of the current financial year, while the average power cost, including the grid power, our total power cost, including the grid power is INR3.03 per unit. This brings a huge delta and also contributed and huge in our total EBITDA.

In quarter 3 of the current financial year, on a consolidated basis, the company reported the operating revenue of INR3,753 crores, a growth of 13.2% over quarter 3 of the last financial year. The sales mix constitute a higher percentage of volume from finished steel, which account for 49% of the total revenue. The export is contributing 11% to our total revenue. The company has been able to book an operating EBITDA of INR456 crores, increase of 12% over the quarter 3 of the last financial year.

The EBITDA margin in quarter 3 was 12.2%, while the overall EBITDA for the quarter amounted to INR507 crores, that is INR51 crores is generated through interest income from investments made in government security, sovereign bond, arbitrage fund, etcetera. Parallelly, in order to maintain the trend in EBITDA number, we have been judiciously and cautiously on all our other cost components.

Our profit after tax for the quarter stands at INR197 crores, an increase of 57% on a year-on-year basis. The PAT margin in this quarter is 5.3%, which is quite sound considering the current market trend and peer competition. The realization of pellet, sponge iron have also improved by 7% and 4%, respectively, quarter-on-quarter.

In quarter 3 of the current financial year, we've sold -- as you are all aware that during this quarter, we are commissioning our blast furnace and cold rolling mill, and we have sold a little bit 27,414 tons of pig iron and 3,741 tons of CR coil from our newly commissioned plant.

We are on the consolidation phase in this segment. As volume will increase, margins should also be increased over a period of time. The Indian steel prices remain under pressure on higher import and competitively weak export. At Shyam Metalics, we have always focused on our capital allocation policy. We reinvested 70% of our total cash generated back into the business, remaining 20% as a liquidity surplus, and returned 10% to our esteemed shareholders as a dividend. The policy shall facilitate us to be cash positive even at the peak of our capex cycle.

Keeping this policy in mind, the Board has announced an interim dividend of INR2.25 per share, disbursing around INR63 crores in the form of dividend to our valued shareholders out of the 9-month PAT of INR689 crores. The above policy also ensures with us a steady other income comprising of interest income from investments made in government sovereign bond, and ensuring timely capex implementations for our company. As on 30th September 2024, the amount parked in government bonds and other liquidity amounted to INR2,172 crores.

A synopsis of capex and growth plan has been laid out in the investor presentation, and we are all well on track to execute them as per the expected time line. We look forward to maintain this positive momentum and delivering continued success in the upcoming quarter as well.

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

Moderator: The first question is from the line of Amit Dixit from ICICI Securities.

Amit Dixit: First of all, congratulations for a good set of numbers in a very testing quarter. I have a couple of questions. The first one is essentially, if I look at the EBITDA per ton, which is outlined in Slide number 24, so compared to your peers who have shown a decline of roughly INR500 to INR800 a ton, I mean, from the results that have been declared so far, your EBITDA per ton in carbon steel has actually gone up by almost INR1,000 a ton.

So just wanted to understand the key drivers behind that, whether it was because of more downstream products or cost -- because iron ore cost, I know went up in the quarter, but surprisingly, your EBITDA also went up. So just wanted to understand the key drivers behind this?

Brij Bhushan Agarwal: First of all, we have been working continuously on the reduction of the cost side. So once we had commissioned the blast furnace, we were able to extract the heat which comes from the blast furnace, and we were able to utilize some energy balance of the hot gases into the plant, in the steelmaking process, iron making -- in the steel rolling process.

Number two, we have been always focusing on the -- concentrating on the upgradation of the technology, how to improve the yield, efficiency, and also -- all this, overall, I would not say that just on some ground of the coal prices, we have got the benefit. But yes, it is a combination of -- if you see, the efficiency of the plant has gone up; the heat balances we have been able to improve.

And also continuously, we are accelerating our marketing process on the B2C side with better distribution, sales management, and all. So overall, this is one of the overall basket where we have seen that we have been able to push and accelerate the bottom line. Thank you.

Deepak Agarwal: And in addition to, that, I would also like to say something. If you see the realization on carbon steel in the second quarter was INR43,205 per ton. But if you see in the third quarter, the realization is INR43,684 per ton. That is also impacted in improving our EBITDA in carbon steel.

Amit Dixit: Sure. Got it. The second question is on the -- it was the first quarter where we actually got into the, I would say, flat product, where we sold cold-rolled coil. So just wanted to understand the market feedback of the same. How has the response been? Which region if you can share, I mean, where you have targeted this? And how is the demand shaping up for this product?

Brij Bhushan Agarwal: See, we have just commissioned the cold rolling mill complex. And I would say that we are still at the process of stabilizing our market. The product quality is well established because we have put up the world-class facilities. There is no concern as such majorly on any of the product. But since all these B2C, on the cold rolling mill, color coated side and all is all under the annualized marketing quantum strategy. So since we are entering into the new year of contracts and all, we'll be able to do more better.

And from the quality point of view, there's hardly a concern. Rather we are considered to be one of the good one, if not the best one today. And our major focus right now is on the Eastern market, because Eastern market is a market where we are able to generate a better delta in the terms of the logistics and the availability of material near to the consumer. And the other part is the Northeast. So these are the major areas of marketing. I would say more than 75%, 80%, we are concentrating in this belt. Thank you.

Amit Dixit: The last question is on -- if I look at the Slide 15 and 16. So while it is very heartening to see the capex being executed well within time lines, and we have seen that capacities have come every quarter. And therefore, that has provided a cushion against -- a cushion for the revenue growth.

But going ahead, Slide 15 and 16 suggest that many of these capex programs outlined are still in the initial stages or close to 10%, 15% of capex has been spent. So just wanted to understand, over the next 2, 3 quarters, where the growth is going to come from? Is it from the ramp-up of cold-rolled mill and maybe external sales of pig iron? Or is it more contingent on some of the stainless steel plant initiatives?

Brij Bhushan Agarwal: See, this coming year, since the blast furnace is being commissioned and it is getting stabilized, we expect that the commissioning of our oxygen plant should take place early March. So where we see that close to around INR2,000 per ton we'll be able to save our cost, because it is a process where you have to stabilize the blast furnace, sinter plant, coke oven, and then you start feeding the oxygen. So we'll see a lot of improvement coming up from the margin side from the pig iron businesses.

Cold rolling mill as well as the color-coated business completely is under the process of stabilization in the market. So the new growth we are going to see in this sector as well. In the stainless steel business as well, we are going to commission the wire plant, the stainless steel wire and the bright bar unit in the coming year.

So we'll see the enhancement of the value addition and the improvement in the bottom line is as well going to have a good impact in the product portfolio, because we see that we have to target till the end of the product, so that we are able to extract the best value of our product, what we arefrom the ore to the steel. So these are the three areas.

Apart from that, we will be commissioning the power plant in Odisha by early next quarter, maybe April, May. So we'll see a substantial value in the terms of the benefit from the cost side coming up from the power plant commissioning, because power has been always our forte on the cost side. So cumulatively, it's a mixture of all side, I would say, 360 degree, where the new innovation on the product is happening.

And the new expansion, as you said, rightly, we are concentrating on -- we have started the construction work for our aluminium business, complete -- we are putting up the green aluminium facility with the casters and we are adding the foil capacity, where we will be making the multiple -- special grade of foil, because metallurgy-wise, you have to have a control if a specialized product is required. We can't depend on the other sources to cater to a better market with a higher realization.

And on the stainless steel side also, we have started the construction work on the flat product. In Odisha, where we see that in the time to come, we'll be entering into the flat product of stainless steel, where we are seeing there is a lot of potential in the stainless steel pipe side. Though we don't have any such strategy on making the stainless steel pipe right now, but we will be focusing ourselves as one of the producer from the stainless steel side, where we'll be making the stainless steel from the ore to metal.

So this is right now the major domain, and some additional facility on the DRI side has been happening, where we see that in the end of the coming year, we'll be able to commission some portion of the DRI. So these are the major expansions, which are going on. And apart from that, the beneficiation plant is also going on where we will see the substantial cost and quality benefit coming up from the iron ore side, because we see there is a lot of benefit on the steelmaking side if we are able to improve on the iron ore beneficiation. Thank you.

Moderator: The next question is from the line of Aryan Sharma from B&K Securities.

Aryan Sharma: So what I wanted to understand was how much time does it take a new plant to achieve breakeven? So like, for example, you recently commissioned a blast furnace unit and then there was the cold rolling new unit. So how much time will these take to achieve breakeven, at what capacity utilization these new capacities will take to achieve breakeven?

Brij Bhushan Agarwal: See, generally, once you start commissioning your plant, it takes close to 3 months to 6 months to stabilize completely. And I think this is a time when we are able to overcome the breakeven as well.

Moderator: Does that answer your question?

Aryan Sharma: Sir, one more thing I wanted to understand was what could be the run rate of depreciation that we -- quarterly run rate of depreciation that we can expect? So for example, this quarter, the depreciation has gone up to around -- it has gone up to INR2,000 crores something. So what we are seeing is, in the last quarter as well, it had gone up a lot and then suddenly it came down in Q4. So can we see similar trends in Q4 this year as well or -- and in the coming years as well, or will this be the new quarterly run rate?

Pankaj Harlalka: No, no. Depreciation actually is an outcome of capitalization. Last quarter itself, we did a capitalization of more than INR1,400 crores, because the blast furnace, the coke oven and the CRM plant aggregating were capitalized all at once. So that is why you see a higher depreciation. Otherwise, there is no change in policy at all.

So whenever -- whichever quarter you will see a higher capitalization, you'll see a higher depreciation. And so now you'll see the base of this quarter. So next quarter will be a similar base. And if obviously more capitalization happens, which is a continuous process as far as our company is concerned, so you will see a similar kind of depreciation numbers.

Moderator: The next question is from the line of Monlin Tiwari, an Individual Investor.

Monlin Tiwari: So my question is that what is the margin that we are looking at in pig iron, as we have like sold pig iron in this recent quarter? And what is the visibility for the future for pig iron? And also, if you could throw some color on the margin of pellets?

Brij Bhushan Agarwal: See where the pellets are concerned, as you see, we are maintaining the same kind of a margin what we have emphasized in the beginning of the first quarter, which is around INR700, INR800 a ton. And where the pig iron is concerned, we emphasize that we will be able to plug a margin of close to INR2,500 to INR3,000 a ton.

Monlin Tiwari: How much?

Brij Bhushan Agarwal: INR2,500 to INR3,000 a ton.

Pankaj Harlalka: So this is the initial phase. So once the capacity is increased, then we will look at a higher margin. But right now, for the coming year, this is what we are anticipating.

Brij Bhushan Agarwal: We mean like close to around INR200 crores to INR250 crores in EBITDA we are considering from the pig iron business in the coming year.

Moderator: The next question is from the line of Shaleen Kumar from UBS Securities India.

Shaleen Kumar: Bhushan ji, first of all, congratulations. Good set of numbers given the conditions and all. Sir, I got dropped off for a few minutes. So I'm not sure if you have answered this or you have covered in some of the questions. Sir, one thing, let's talk about what's happening, right? So while you are doing a very good job, given markets are tough, but what is your perspective on the market to begin with?

Let's understand that. That difficult -- given the longs do not face so much competition from import, what is the underlying reason you see? And any sense of the recovery time lines where we could see demand or your realization can improve? So just let's start with one broader macro question from us.

Brij Bhushan Agarwal: Good afternoon, Shaleen. If you see this 9 months 2025, and the kind of numbers, the EBITDA, I think this is self-explanatory that in spite of so much environmental challenges across the planet, we had been able to sustain with the [inaudible 0:31:50] of our institution is a strategy. If you see, we have a multi-basket product [inaudible 0:32:04] created a value chain across the different products, and we are able to balance different products with a different strategy and extracting the best in the terms of the product realization and market.

So in the time to come also, if you see, our major expansion is coming in the stainless steel market, in the stainless steel business, where we have ferrochrome, we have iron, we have our own captive power, and we have our own ferromanganese, and we are planning to charge the hot metal into the furnaces to optimize and capitalize on the energy cost, and also to see how can we create a best value from the downstream businesses, where we don't have any much inventory, overheads of carryover of the raw material, and it is going to be simply a downstream and upstream of the existing expansion which is coming up.

Apart from that, if you see, our major expansion is coming up in the aluminium businesses, where we are making all the specialized foil. And today, in the span of less than 2 years, we are known as country's largest foil producer with a specialized foil. We are not working on the commodity foil. Our focus is more on the quality, high value, and export business.

Our new expansion, which is going to come up in the aluminium sector is also catered to more higher value addition, more higher niche product in the aluminium sector. The other expansion what you foresee is on the backward side, like we are adding more power plants, which is going to cater to our existing expansion and help us to rationalize and be more productive in the terms of cost and the perennial supply of energy.

So these are the major areas where we are focusing right now. And the new expansion what we have commissioned, as we all know that the color-coated business is growing very fast. And with our expansion in the stream of a new vertical of the color-coated business, where we don't have much challenges on the product side, as it is the same supply chain management of our existing long products and structure business, which we will be catering and we'll be able to rope our existing supply chain from B2C business into a color forum as well.

So overall, I see whatever capex what we have done till date, it is very, very strategically aligned with our brownfield expansion. And whatever we have been focusing right now, what we have been promising in the past, we are driving on the same alignment of value addition, B2C market, and getting into a higher business.

Like the stainless steel getting into the wires of the stainless steel, there is a very high potential, as we all know, and it is completely a very niche product. Bright bar as well is completely a niche product. And we will be aligning more and more in the time to come to focus our business model more on the area of value addition by increasing more margins and creating more niche in our existing business. Thank you.

Pankaj Harlalka: Shaleenji, just to add, if you see on the industry side, right, which you asked, so generally, from China, flat products are imported. And it's, in my lifetime, I think first time that there is a very important aspect that there has been a decoupling from the prices. So for the first time in the last 1 year, you would have seen a lot many times where long steel is higher than HRC, which was not the norm. So you can understand that there is a change in the overall industry scenario for long steel.

Brij Bhushan Agarwal: And whatever product we are doing, hardly there is an import, like we are taking the advantage of the import scenario. But in our all the product side, if you see, we are not doing anything which has any kind of a threat from the import into the country. So we are basically more aligned with the source from the mineral to metal and which is hardly any kind of an export happening in our product.

Shaleen Kumar: If I can ask Deepak ji and Pankaj. Sir, there are many new capacities are coming for us and a few of the capacities are ramping up. So ballpark, I think it will be fair to assume that '25, we will do an EBITDA of above INR2,000 crores. It will be more than that operating EBITDA, right? But given that in your internal assessment, you can give a range if not necessarily guidance, what kind of additional EBITDA can we build on these new capacity or capacities which will ramp up, whether it's color coated or pig iron, etcetera, assuming the realization remains the same where they are right now? So any broader range of additional EBITDA we can clock in FY '26? Is it possible for any color on that?

Deepak Agarwal: Yes, Shaleen, if you see in the past also, we are growing both on the top line and bottom line with a CAGR of more than 10% to 15%. Definitely, with the commissioning of blast furnace and color-coated plant, what we are achieving the EBITDA in the 9 months, definitely, it will grow with the same run rate or it will be more as far as in the same realizations. If the realization will further improve, then definitely the EBITDA will further improve. But if these realizations, our EBITDA for the next year will definitely grow with the existing enhancement run rate, maybe in the tune of 10% to 15%.

Shaleen Kumar: Sir, I think -- do you think the EBITDA can grow faster here because you have a new -- this ramp-up will happen over here. So basically, if we are clocking INR2,000 crores, INR2,100 crores, maybe more in FY '25, so with all these things happening, is there a chance that you can do higher than that?

Deepak Agarwal: See, with the commissioning of the blast furnace and with the commissioning of power, as our MD is already sharing that, definitely, our bottom line will improve. But we always committed less and delivered more. So we will be very much conservative on delivering on guidance as far as figure is concerned, but we will be definitely delivering more, but we will be always on a conservative side.

Shaleen Kumar: That's helpful. I think given the environment is so tough, even a mid-teens or high-teens kind of a growth is very welcome.

Brij Bhushan Agarwal: But yes, by the year '27-'28, we are targeting, we should be able to touch INR4,000 crores with our new expansions coming up in aluminium and stainless steel and all. This year, as we have just started the project in the aluminium and all, we can see that all these projects ramping up in the next couple of years. So that once they ripen up, so third year onwards, we can see a very different number, because it's a completely different strategic move.

What we are trying to create in Shyam Metalics is we just don't want to be just an HR company or anything. We are making flat products or we are making something which is highly volatile. We want to reduce the volatility in our business strategy, so that we have a space in all the niche businesses in the metal, because we understand what metal is.

And if you see in last 20 years, the way our organization has driven and taken all the 4 roughest times, you beat the Lehmann Brothers, 2008-2009, '11-'12, '15-'16 and the COVID, we have been always working on a very different strategic move. And we would like to abide with our thought of going safe, steady, and perennial.

Shaleen Kumar: So Bhushanji, if you're targeting upward of INR4,000 crores somewhere in FY '27-'28, then your CAGR will be more than 20% for the next 2 to 3 years?

Brij Bhushan Agarwal: We want to be conservative. We just don't want to give any kind of -- we want to make sure that what we say, we want to deliver more. So all this new strategic approach what we are seeing in the businesses right now is going to ripe up in the time to come.

Shaleen Kumar: Sure, Bhushan ji. We are very happy to see the execution pace. At least that's very comforting.

Moderator: The next question is from the line of Rajesh Majumdar from B&K Securities.

Rajesh Majumdar: Again, congratulations for a very good set of numbers in the circumstances. So I had one short-term question and one long-term question. The short-term question is that we saw a fall in the realizations in 3Q across most of the product categories. So what are the trends for 4Q till Jan? Do we see similar realizations? Or have we seen some uptick in any of these products?

Brij Bhushan Agarwal: I don't see very major changes because, Rajesh, like in this quarter, there is some good demand picking up, because we are getting into a seasonal quarter now. And with the new changes on the strategy from the government side, the RBI policies and all what we are seeing right now, we see there is going to be the changes happening, but it's too early for us to comment right now, but it is on the positive side, I would say.

Rajesh Majumdar: Right. So basically, we can see volume growth, but not much price growth. Is that the right way of looking at it?

Brij Bhushan Agarwal: I would say, too early for us to share anything right now, because we are still in the middle of or the end of January, yes.

Rajesh Majumdar: Right. And sir, my second question is on slightly longer term on the DI pipe business. If you look at any of the DI pipe historical projects, these projects have taken anywhere between 1.5 to 2 years to ramp up. So I mean, once you put up the capacity, the first capacity, say is due in FY '26. Will we take 2 years at least for this capacity to break even in terms of reaching a certain level by which -- and if not, why? What are we doing differently from the conventional DI pipe projects?

Brij Bhushan Agarwal: See, DI pipe is a downstream facility of our Ramsarup acquisition. Right now, we are doing the modifications and upgradation of our blast furnace. We expect to commission the blast furnace of the Ramsarup division also middle of this year. Sorry, I forgot about this subject to discuss in my previous questions. And DI will take another couple of years to commission. But as an overall thing, DI is a very small investment on the total capex cycle at a group level.

And it is too early for me to share, because generally, a product like DI has a lot of registration process. And since we are in a very large table of the product revenues and all, so the contribution of DI is going to be very, very minimum. And I don't see right now any kind of challenges. But yes, generally, once you commission the DI, it takes around 1.5 years to get everything streamlined.

Rajesh Majumdar: Yes. That's helpful. But on the other project additions, last one question, you don't foresee that kind of a scenario on the other stainless steel and aluminium, etcetera, you don't see that kind of a process of ramping up in terms of breakeven point being 1.5, 2 years away?

Brij Bhushan Agarwal: No, no, no. Generally, 6 months to 9 months, because in the aluminium business, we are already very much established. So once we are doing forward integration, and horizontally, we are doing the expansion in the foil business. So I don't see much challenges. And in the stainless steel business, if you see initially, we are starting up with a complete SMS and steel mill, the flat product and the cold rolling mill complex and all, where we are targeting to cater B2B initially.

And to cater to B2B, it's not a very big challenge, because there's hardly a producer except 1 or 2 in the country. So we don't see any kind of challenges in our entry because the plant, what we generally, with our past experience and the present technology, what we are doing, we are doing world-class. So hardly 6 to 9 months.

Moderator: The next question is from the line of Anupam Gupta from IIFL Securities.

Anupam Gupta: So congrats on a good set of numbers and on the commissioning of the blast furnace as well. So just one question which I wanted to check. So your delivery on project commissioning and capex has always been strong and efficiency focus has also been strong. What are your thoughts on improving the raw material security? So as of now, obviously, everything is market-linked, both iron ore as well as coal. Any thoughts that you have, any plans in terms of improving the raw material security going ahead?

Brij Bhushan Agarwal: Anupam, we are very much in the mature market. And you know these auction processes of mines are not very economically feasible, because all the auction prices and all. But we are always active on securing the raw material, but on the economic cost benefit, we don't want to take any securitization on the raw material side by paying a super hefty premium and increasing our cost and reducing our margins or ROI or IRR. So we are always in sync, in game for all the opportunities, but it depends.

But yes, it is yes, yes, for a better opportunity and no, no for a non-feasible opportunity. And since we have linkages for the iron ore from OMC, Odisha Mining Corporations, and we have some contracts with the private miners and all, which is -- and in last 20 years, we have never had any kind of concern on the availability of the qualitative minerals, whether we discuss on the iron ore, coal and all. But yes, iron ore, this is my concern.

And in the time to come, yes, coal is one of the area where we see, with the kind of action happening from the Coal India front and the kind of pricing what is available in our country. Today, we are almost one of the most competitive and qualitative coal producer in the country from the Coal India prospect, not from the Shyam prospect. So we are taking all the advantages.

And if you see other side also, we always have a advantage of our plant location, because we are on the coal bed, whether we beat Odisha near to the NCL and whether we beat Bengal plant, which is on the Eastern coal field. So we always like to capitalize on the coal value. And with the kind of supply which is happening from the Coal India side vis-a-vis the demand and all, I don't see any kind of crazy pricing in the carbon businesses and with the transformation happening on the usage.

So there's nothing major to worry. Maybe some kind of surprises might come because of some rains or some kind of logistic issues and all. But in our case, in logistics also, we are well covered with our captive rigs. We have invested more than 20 rigs for the perennial supply of minerals and all to our plant.

Moderator: The next question is from the line of Tanishi Agarwal from Goldman Sachs.

Tanishi Agarwal: My question to you is, how do you envision the growth and development of your company over the next 5 years?

Brij Bhushan Agarwal: See if you see, Shyam Metalics is a very different company. Like it is -- I've always been very vocal in saying that if you see, it is a multi-basket metal company where we are specializing in aluminium businesses. So we have to have a CAGR of around more than 15%, 20% in the aluminium business, in the foil businesses. We are developing a lot of new products in the sheet, in the aluminium, some battery foils in the aluminium and all.

Stainless steel as well, we focus ourselves like in next 4 to 5 years, we should be able to derive a revenue of close to around INR7,000 crores to INR8,000 crores, more than $1 billion just from the stainless steel business. So the new expansion is going to also help us to enhance our value chain in the stainless steel.

Apart from that, long products, we are focusing more on the downstream to create more into the wire businesses, getting into more B2C space so that we can enhance more margins and add more value from the little capex, not a major capex, and we focus more on the specialized wire businesses. On the structural steel, what we are doing, we are making especially now the railway structures and all, which is the very high demand. And we are getting into a specialized structures of the transmission line, which is also helping us to enhance more value on the product side.

From the raw material side, yes, we are putting up a beneficiation plan, which will help us to reduce the cost of the iron ore by procuring more iron ore at a competitive price and also creating more value in terms of margins. So down the line, 4 to 5 years, I expect that we should grow at a CAGR of more than 15% to 17%, and we should be one of the very unique company as a metal conglomerate with multiple ferrous and nonferrous business with a high margin, sustainable, as well as with minimalistic volatility what we see in the market in the other peers and all.

And all our new capex what we plan to do is very, very strategically approached with the minimum IRR of close to 17% to 20% with long-term strategic and growth options, like wherever we get into a business, we always see that we should grow in the tune of 15% to 18%, so that we should drive the volume, margins, and we learn more and more, so that what we are doing, we are able to create more growth for our shareholders. Thank you.

Moderator: The last question is from Pruthul Shah from Anubhuti Advisors.

Pruthul Shah: Congrats on good set of numbers. Sir, I was just referring to the sales volume projections for FY '27 that the team has done. So considering that and multiplying it with the current quarter EBITDA, the projected EBITDA that we can earn in FY '27 is around INR3,100 crores. So just wanted to have a comment on this number that whether we are internally looking at INR3,500 crores kind of EBITDA, would it be in this range, or it would be much higher due to operational efficiencies and other initiatives that we are doing?

Brij Bhushan Agarwal: This is not a very crisp question, I would say, but we have to understand that today, EBITDA number more has to be driven by the growth strategy. That all our initiatives what we have taken shows the growth strategy. And since we know the stainless steel business EBITDA margin, we have projected vis-a-vis the market. We have been very -- extremely conservative. Aluminium, we are the very true example in last couple of years what we have been able to deliver, getting into a new space and creating a new benchmark in the foil businesses.

The kind of blast furnace what we had put up is world-class, and it is level one automation with the highest level of efficiency in the terms of the utilization and cost. So we expect that, yes, we should be falling within the numbers what you are saying, maybe more or maybe a little less. But yes, from the plant, from the strategy point of view, from the cost point of view, from the marketability point of view, from the derisk point of view, in the terms of multiple products, I would say that we are extremely competitive.

And the new businesses of color-coated, which we are going to see the colors in the coming year, is going to be highly value creation for the company in the terms of market, in terms of sustainability, in the terms of growth for the coming year to come. Thank you.

Moderator: Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Mr. Sumeet Khaitan from Orient Capital for the closing comments.

Sumeet Khaitan: Yes. Thank you for joining us on the call today. I would also like to thank the management for sparing the time and answering all the queries today. We are Orient Capital, Investor Relations Advisors to Shyam Metalics and Energy Limited. For any queries, please feel free to reach out to us. Thank you, and over to you, management. I would also like the management to give the closing remarks. Thank you.

Deepak Agarwal: Thank you, everyone.