

Shyam Metalics and Energy Limited (SMEL) to complete third acquisition expanding both inorganically and organically

- To conclude the acquisition of Mittal Corp Limited and further strengthen the metal portfolio by entering the Stainless Steel (SS) / Wire Rod & Bar Mill,
- Manufacturing footprints to increase with entry into Madhya Pradesh through Mittal Corp Ltd acquisition
- Aims at expanding existing 8.85 MTPA production capacity to 14.45 MTPA
- Capex spending shall grow to Rs. 10000 Crores in the next 5 years to meet the organic and inorganic growth plans through internal accruals
- To generate additional 10,000 jobs in plants situated in West Bengal and Odisha

20th December 2022, Kolkata: Shyam Metalics and Energy Limited (SMEL), a leading integrated metal-producing company based in Kolkata, has announced their third acquisition of Mittal Corp Limited with a foray into the Stainless Steel (SS) / Wire Rod & Bar Mill business. The matter is subjudice and shall be resolved in due course. This inorganic growth will witness the establishment of manufacturing footprints in the state of Madhya Pradesh and add capacities of 1,50,000 tpa Stainless Steel (SS) / Wire Rod & Bar Mill. Ferro Alloys a key input material for Stainless Steel is extensively produced by our existing companies. The Government has mandated a minimum 20% use of stainless steel in Coastal Areas which ensures a very stable demand for these products.

With this development, Shyam Metalics has embarked on a 'diversification approach' in the metal space to chart the company's growth journey and has proposed to further invest Rs 7500 crores over the next five years. In order to meet the growth plans with organic and inorganic expansion, SMEL's present Capex aims at growing to Rs. 10000 Crores in the next five years. The current manufacturing plants in West Bengal and Odisha which employs more than 15000 people will further see an addition of 10000 jobs to the entire workforce post expansions.

In 2021, SMEL made a very successful acquisition in the aluminum foil metal space and then successfully implemented one of India's largest Aluminium Foil Rolling Plant in India in the State of West Bengal. The acquisition of Sri Venkateshwara, a small Aluminium Foil plant in Giridh with an annual capacity of 3600 MTPA has hugely benefited the setting up of the Aluminium Foil Rolling mill complex to manufacture Quality Products with an annual rolling capacity of 40000 MT per annum.

SMEL has also taken control of Ramsarup Industries Limited through NCLT which will help facilitate inorganic growth in the steel space. Following the takeover of Ramsarup Industries in May 2022, Shyam Metalics aims at enhancing and reviving the operations and steel-making manufacturing facilities of Ramsarup Ind. Fresh planning for revival aided with the deployment of capital will lead to the generation of 3000 new jobs and facilitate the growth of the company the state and its people.

Feeling highly optimistic about the positive growth trajectory for Shyam Metalics, **Mr. Brij Bhushan Agarwal – VCMD, Shyam Metalics and Energy** said "With a focus on achieving operational excellence, adopting capital prudence across the board, and leveraging our expertise and capabilities, Shyam Metalics has demonstrated stable growth path in past four decades. We remain PAT positive since the commencement of our operations in 2005. The current investments across multiple portfolios will only take the company to the next level of diversification and business excellence, further strengthening its domestic and global position in the market."

SMEL has already invested Rs. 2400 Crores out of the Rs. 3950 Crore existing Capex plan of the company in the last two years. The new investment will also help Shyam Metalics bet big on their

exports and expand their geographies to newer markets which currently stands at 40+ countries with a contribution of 16% to the overall business.

SMEL is also the largest producer of Coal Fired Sponge Iron in the country with a present capacity of 2.1 Million tonnes. Post the planned expansion the capacity shall be Three Million Tonnes of iron making.

SMEL is also amongst the largest producer of Speciality Alloys and ferro products in the country and has recently commissioned a very specialised 14000 TPA Low Carbon Ferro Chrome Plant which has added to its diversified product basket and is a great value addition for the company's niche clients.

SMEL's integrated steel production capacity is to further increase from the existing 8.85 MTPA to 14.45 MTPA of which value-added Long Steel capacity shall enhance to 2 MTPA from the present 1.47 MTPA.

In the next six months, the company will also boost the capacities of Pellet Capacity from 3.6 MT to 6.0 MT, Sponge Capacity from 2.10 MT to 2.90 MT, Billet Capacity from 1.47 MT to 2.00 MT, Finished Steel Capacity from 1.47 MT to 2.0 MT. The CPP capacity to be enhanced from 267 MW to 357MW. In FY24 & FY25 the Coke oven plant, blast furnace plant and Ductile Iron plant capacities shall be added.

Shyam Metalics has a very large basket of metal products under one roof. The company produces and sells pellets, sponge iron, billets, TMT Rods, Wire Rods, Angles, Channels, Beams, Ferro Chrome, Ferro Silicon, Silico Manganese, Low Carbon Ferro Chrome and Aluminium Foil products. Post-acquisition and expansions there will be an addition of pig iron, DI Pipes, Stainless Steel (SS) / Wire Rod & Bar Mill making the company a diversified, one stop solution for metal products.

The company's products like SEL TMT rebars wire rods and structural products are sold under the brand name SEL which delivers attributes of strength, elasticity and longevity. SMEL has been able to sell 70% of the products within a radius of 500 Kms of the plants.

About Shyam Metalics

[Shyam Metalics](#) is a leading and fastest-growing integrated metal-producing company based in India primarily in the steel Industry in West Bengal and Odisha with a focus on Long Steel Products and Ferro Alloys. The company got listed itself on the exchanges in 2021 and possesses a market capitalization of Rs 7,684 CR. Spearheaded by Mr. Brij Bhushan Agarwal, Vice Chairman and Managing Director, the company strives to deliver unparalleled quality through their customized value-added solutions to meet business requirements. Headquartered in Kolkata, West Bengal, the company is amongst the largest producers of ferro alloys in terms of installed capacity in India (Source: CRISIL Report). The company has the ability to sell intermediate and final products across the steel value chain. Shyam Metalics is one of the leading players in terms of pellet capacity and the largest coal fired player in the sponge iron industry in terms of sponge iron capacity in India.

For Media Queries Contact:

Media Contacts

Zaheer Chauhan zaheer@conceptpr.in	Deepika Sasmal deepika@concept.in
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