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**Sub.: Transcript of the Earnings Conference Call of Analyst/Investor for period ended 31<sup>st</sup> December, 2024.**

Respected Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the transcript of the earnings conference call of Analyst/ Investors for quarter ended 31st December, 2024 scheduled on 06th February, 2025.

Please take the same on record.

**FOR SHERA ENERGY LIMITED**

**JYOTI GOYAL**  
**Company Secretary & Compliance Officer**



“Shera Energy Limited  
Q3 FY25 Earnings Conference Call”

February 06, 2025



**MANAGEMENT:** **MR. SHEIKH NASEEM – CHAIRMAN AND MANAGING  
DIRECTOR – SHERA ENERGY LIMITED**  
**Ms. JYOTI GOYAL– COMPANY SECRETARY AND  
COMPLIANCE OFFICER– SHERA ENERGY LIMITED**

**MODERATOR:** **MS. SAMIKSHA RAMTEKE – KIRIN ADVISORS**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 FY'25 Conference Call of Shera Energy Limited hosted by Kirin Advisors Private Limited. 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. Please note that this conference is being recorded.

I now hand the conference over to Ms. Samiksha Ramteke from Kirin Advisors. Thank you and over to you, ma'am.

**Samiksha Ramteke:** Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Shera Energy Limited. From management team, we have Mr. Sheikh Naseem, Chairman and Managing Director, and Ms. Jyoti Goyal, Company Secretary and Compliance Officer. Now I hand over the call to Ms. Jyoti Goyal. Over to you, ma'am.

**Jyoti Goyal:** Good afternoon, everyone. Thank you for joining us today to discuss Shera Energy Limited financial performance for the 9 nine months of financial year 2024-25. We are pleased to report strong financial results for the period. However, beyond the numbers, we are excited to share the insight into the progress and growth of Shera Energy's core business. We are pleased to report strong financial results, reflecting our steady growth and operational efficiency.

Our consolidated total revenue increased to INR909 crores, marking a year-on-year growth of 53.70% for 9 months FY'25, showcasing the market demand. EBITDA rose to INR42.91 crores, reflecting a growth of 15.98%, highlighting our strong operational performance and efficient cost management. Our net profit increased by 37.85% to INR15.63 crores, indicating our ability to translate higher revenue into improved profitability. EPS improved by 27.92%, rising from INR4.19 to INR5.36.

On a standalone basis for 9 months FY'25, our revenue stood at INR625.04 crores, up 40.44% year-on-year, with EBITDA at INR20.53 crores, and net profit growing by 20.53% to INR6.82 crores. These results demonstrate our ability to strengthen our market position while maintaining financial discipline.

Shera Energy operates as one of the leading manufacturers of non-operational metal products, primarily copper and aluminium, with a strong focus on winding wires and strips used in transformers, motors and electrical panels. Over the years, we have successfully integrated our operations backward and forward, allowing us to provide a diverse range of value-added products. Our product portfolio includes paper-covered wires, enamel and fibre-covered wires, round and rectangular wires, bunched wires, catering to a wide range of industrial needs.

Over the past few months, we have made significant strides in both our production capacity and market expansion. By increasing our production capacity by 15%, now reaching 46,750 metric tons, we are well positioned to meet the growing demand in our market. Additionally, our global

footprint continues to expand with the launch of Shera Zambia Ltd. in Central Africa, which will focus on serving the local and regional markets with our high-quality winding wires and cables.

The progress we have made in backward and forward integration through our subsidiaries Rajputana Industries Ltd. and Shera Metal Private Ltd also play a key role in enhancing our product offering and overall business growth. Looking ahead, we are focused on deriving further growth through our strategic investment in capacity expansion, strengthening our global footprint and enhancing operational efficiency.

Thank you for your continued support. Now I would like to request for Naseem sir for questions and answers.

**Moderator:** Thank you ma'am. We will now begin with the question and answer session. Anyone who wishes to ask a question, you may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Thank you.

**Sheikh Naseem:** Hello, can you hear me?

**Moderator:** Yes sir.

**Sheikh Naseem:** Are people not coming or do people not have questions?

**Moderator:** Sir, we have 21 participants.

**Sheikh Naseem:** Okay. Namaskar to all of you, if you can hear me.

**Moderator:** Yes sir, you are audible.

**Sheikh Naseem:** So, whatever information you wish to know, whatever questions you may have, I am there to answer all types of queries that you have. Please come up with your questions.

**Moderator:** We have got a question. The first one is from the line of Mahesh Seth, an Individual Investor.

**Mahesh Seth:** Thank you for the opportunity, sir. My first question is that, can you provide insight into the key factors which are driving the Y-o-Y growth of 53.70% in consolidated revenue for the 9 months?

**Sheikh Naseem:** Sir, I had told you in the previous earnings call. The company has a very good order base. And now, 2-3 months ago, we had also done capacity enhancement. And in the coming time, some work is being done on capacity. New projects are coming. So, the growth that we have got till now, this is not the end, but further, there is going to be a lot of growth.

There is also an investment in our subsidiaries. There is a new investment going on in both the subsidiaries. So, by the next financial year, its production will come. So, I can expect a substantial growth in the next FY'25-26. But for FY'24-25, what we expected from you in the previous earnings call, the company is moving in the same direction.

- Mahesh Seth:** Okay, got it. Yes. So, investment and capacity expansion are the main factors, right?
- Sheikh Naseem:** The product will also expand. And the capacity is also increasing. If you look at our previous 2-month declaration, which we had also uploaded in NSE, our installed capacity has also increased, and its utilization is also increasing. So, in the coming time, we have a very good order base. The Indian government has also contributed a lot in this. A lot of work is being done in the Indian government's infra-based projects.
- Now, there are two types of infra, one is the road network and the other is electrification. So, the government has a very large budget in electrification. And a lot of work will be done in the coming time. The expansion of solar, the investment in solar, ultimately will help our industry to grow.
- Mahesh Seth:** Okay, got it. Can you also tell me how do you see EBITDA margins evolving in the upcoming quarter?
- Sheikh Naseem:** EBITDA margins are going to remain in this line, sir, because there is no new addition to our product in the next quarter. So, EBITDA is going to remain in this line.
- Mahesh Seth:** Okay, sir. This will be maintained.
- Sheikh Naseem:** It will remain in a similar lines.
- Mahesh Seth:** Okay. And can you also tell me are there any plans for listing of Shera Metal Pvt. Ltd.?
- Sheikh Naseem:** Sir, it is premature to comment on that. But a lot of work is being done on that subsidiary. New investments are being made. Its balance sheet needs to be improved. As and when that thing will be improved, at the same time, we will look at the market position and do fundraising in that also.
- Mahesh Seth:** Okay, got it. That's it.
- Moderator:** The next question is from the line of Jairaj Jain, an Individual Investor.
- Jairaj Jain:** So, yes. Thank you for the opportunity. My first question is like do you foresee any potential risk or opportunity to maintain this level of revenue growth in the coming quarters?
- Sheikh Naseem:** Mr. Jairajji, first of all, your question is very good. And I don't foresee any risk in the near future, but I can see a lot of potential. If you have a little bit of knowledge about transformers, then I will update it. The government is currently working on level 1 transformers operations. And in the near future, they will go to level 2.
- Basically, the Indian government pays a lot of attention and for energy efficiency, the equipment already installed, after upgrading them, they will have to go to a better, efficient transformer. So, right now, all the new connections are going to level 2, level 3 will also come.

But in the near future, you will see that the transformers without star rating or the level 1 transformers in the system, in the coming time, will be replaced by the government because they put losses in the existing system. 5%-10% of the electricity generated is wasted. So, basically, the energy saved is the energy generated.

So, the energy that you save with a better efficient transformer, that generation will be increased by the Indian government. So, as the demand is increasing, the production will also have to increase. In the near future, the carbon footprint also plays a very important role.

So, it is better than producing electricity. The consumption of electricity I am not saying consumption, but the pilferage that ends in losses is more important to focus on. So, even if you reduce 10% of the total losses in the system to half, then it will still contribute as a very heavy generation.

So, by reducing carbon emissions, you have taken growth in it. So, this work is going on all over the world and India is very aggressive in this. So, I can foresee a very good and bright future for the company for years to come.

**Jairaj Jain:** Okay, sir. That is insightful information that you have shared. Sir, will there be any competitors with whom you will get an edge to compete with them?

**Sheikh Naseem:** If you look at the background of the company, when it was established in 2003, it was a very small-scale company with very few players. But with the technological background that we had and the technical expertise we had, we have surpassed all that mushroom growth level competition. Now, the company has become among the top 10 biggest winding manufacturers across India.

So, to reach that state we have put in a lot of effort and now our competition is with cream which is India's top-class winding wire manufacturer. Now, we compete with them who are grass-root level manufacturers. Our quality, our reliability, our commitment to supply, our pricing is much better than those people.

So, that level of competition we have already passed. And this year, I am feeling very proud to tell you that we have already done an export sale of INR75 crores by December. So, I expect that our export sales will increase in the coming time and the company will perform well at the international level as well.

**Jairaj Jain:** This is good to hear. Thank you, sir. The second question is what is your industry's driving demand for Shera Energy products?

**Sheikh Naseem:** Driving demand?

**Jairaj Jain:** Yes. What is your biggest demand?

**Sheikh Naseem:** Sir, if I explain to you on an individual level, there are electrical appliances installed in every house.

**Jairaj Jain:** Okay.

**Sheikh Naseem:** So, your electrical appliances are in your mixer, in your washing machine, in all these, winding wire is installed. If you notice, every middle-class family or above-middle-class family or lower-middle-class family, upgrade their household equipment every 3-4 years. The models available today will be upgraded after 3 years with new models with features.

So, you obsolete the old and buy a new one. So, there is a constant demand in the market. The same role plays in the transformer industry as well. So, as higher-efficient transformers enter the market, the old transformers which consume electricity themselves, become obsolete from the system. So, because of this, the replacement market is huge. Secondly, as the electrification generation is taking place, the amount of solar coming into your system, there is a lot of encouragement for solar energy generation from the government.

Modiji's plan is to install solar energy in every household. Can you imagine the level of generation in India? When so much electricity will be generated, electricity cannot be stored, ultimately it will be consumed. So, wherever it will be consumed, winding wire will play the most important role. So, when there will be so much generation, you cannot end it. Solar energy is not going to reduce in the next 10 years.

So, the more generation will be generated, the more consumption will increase. Just like people's income will increase, which is the focus of our government, every person will increase their facilities. So, whenever facilities will increase, first of all, if there is no fan, fan will be installed, winding wire will be installed, fan will be installed, hand blender will be bought, mixer will be bought, washing machine will be bought.

Every person will upgrade their level in the next 3-5 years. Every family will increase their level. So, as the level increases, electricity consumption will also increase. And where electricity consumption increases, our material requirement will increase. So, this is the main driving force for our growth in this segment.

**Jairaj Jain:** Okay. Thank you. Sir, I have heard that there is a recent 15% increase in production capacity. So, what is the impact of this in operations and market reach?

**Sheikh Naseem:** Sir, you can see in the performance. If you see in the last 9 months, we were around INR600 crores. We were around INR589 crores. And this year, we have increased it to INR906 crores. We have come from INR600 crores to INR900 crores. We have increased production capacity by 15% and improved the old capacity utilization.

This situation has come by improving that capacity utilization. And in the coming time, the company is increasing its capex with its own money at small levels. And some capacity enhancement is going to happen in the coming time. So, the company will continue to install more machinery, and I will continue to increase my capacity and production as the demand for my product increases.

**Jairaj Jain:** Okay, sir. Thank you. Thank you for sharing such information and best of luck.

- Sheikh Naseem:** Thank you, sir.
- Moderator:** The next question comes from the line of Rhea Bansal, an Individual Investor.
- Rhea Bansal:** Yes. So, thanks for this opportunity. So, my first question is how much of revenue growth is volume driven versus the price driven?
- Sheikh Naseem:** Madam, in the metal industry, always keep in mind that every year, on an average, by 5% to 8% on base metals. In our copper, last year's LME prices were in the range of INR9,000 to INR9,500. And in the current year, it is in the range of INR9,000 to INR9,500.
- So, the price did not have as much impact as in copper, whereas in aluminum, the price declined. Last year, the price was in the range of INR2700 to INR3500. This year, it is in the range of INR2200 to INR2500.
- So, all this growth is mainly quantity based. But on an average, in our industry, there is a general trend that growth is 5% to 7% in price. And if I talk about Shera, we have been growing 20% to 30% in quantity since last year. So, in the future, we will continue to grow like this.
- Rhea Bansal:** Okay. So, my next question is, how do you compare your performance to industry peers in terms of growth and profitability?
- Sheikh Naseem:** Madam, to be very frank, we cannot directly compare to industry peers in terms of listed companies. Shera Energy, including its subsidiary, is not a company that works on aluminum, copper, and brass. Our consolidated balance sheet, that is a merger of all our products, copper, aluminum, and brass.
- So, we are the only one which are listed, who are dealing in all these three metals, first thing. Secondly, if I compare this with winding wire, there are two major players like Precision and RR Wires. So, if I compare the performance of these two companies, I feel we are better in their margins and operation size.
- Their operation is quite large, but we are not able to match the level of that operation. They are doing roughly 3000 to 4000 tons a month. We are in the range of 500 to 600 tons a month for winding wires.
- So, from that angle, there is no comparison between their investment and our investment. There is a huge difference. But they are 50-55 years old companies. We are new in the market. We are just 15-20 years old in this line. But, in totality, if I compare 15-20 years growth story of us, we have excelled in all these industries prevailing in the market.
- Rhea Bansal:** Okay, sir. Good to hear that. My last question is that are there any risks associated with raw material price volatility and how do you mitigate them?
- Sheikh Naseem:** Your question is very good, madam. This risk is always there if you are not going into back-to-back buying of the metals. We have hedging plans in the company.



We do the proper hedging of our raw materials. So, whatever is sold, first we do the sales and then we do the buying. So, we always cover our sales with a buying back-to-back. We never do the buying first and then sales. So, that way we are covered with the volatility in the metal prices.

**Rhea Bansal:** Okay, thanks. Thanks for answering this question.

**Moderator:** The next question comes from the line of Priya Gupta, an Individual Investor.

**Priya Gupta:** My question is, how do you plan to enhance your distribution network to reach new customers?

**Sheikh Naseem:** Okay. Our product does not have a distribution network. This is an industrial product. So, we reach to all new probable buyers. We present them with our quality. We present them with our samples. We present them with our pricing models and our financial scheme with them.

So, upon the approval from the purchaser, since we are not new in the market, all our major buyers understand that we are an established player in the winding wire. So, they know the company, beforehand, we go for any presentation. So, this is the way we present ourselves for adding up the new customer bank.

This is required only when we are not in position to fetch orders from our existing suppliers. Just to make you aware, more than 95% of our satisfied customers, we get a repeated order of our total volumes that we sell. Only 3% to 5% remaining order, we add new customers every year. Am I clear to you?

**Priya Gupta:** Yes, sir.

**Sheikh Naseem:** So, we are matching the increased demand of our existing customers. So, we cater them the first and then whatever new product is developed by that company that is sold on a new marketing strategy in the market.

**Priya Gupta:** Thank you very much. My next question is what are the company's long-term targets for revenue contribution from exports?

**Sheikh Naseem:** Madam, I am not supposed to answer you in terms of figures. I can give you last year, we did roughly INR50 odd crores and by December, we have already done roughly INR75 crores. Moving ahead, I expect a substantial growth into our export business, and I expect the companies, in terms of total share of exports, looking to the size of Indian market the way the country is growing.

I doubt that there will be a substantial increase into a percentage of export, but if I compare only export-to-export, you will see a dramatic growth in next financial year as well as this financial year. Am I clear to you?

**Priya Gupta:** Yes.

**Sheikh Naseem:** You have to compare apple-to-apple. If you compare our previous year export sales to this year export sales you will find a dramatic change, but if you compare our export sales vis-à-vis with domestic sales, the margin of export sales will be very nominal. You got it? It will be less than 10%.

But since the Indian market is doing very good, all our growth has come with a contribution mainly because of the domestic market and some contribution has come through the growth into domestic export sales as well.

**Priya Gupta:** Okay, sir. Thank you so much.

**Sheikh Naseem:** Thank you.

**Moderator:** The next question comes from the line of Swaraj Singhania an Individual Investor.

**Swaraj Singhania:** My first question is what regulatory challenges do you face in the international market and how do you navigate them?

**Sheikh Naseem:** Regulatory challenges?

**Swaraj Singhania:** Yes.

**Sheikh Naseem:** That you mean to say in terms of taxation?

**Swaraj Singhania:** Yes.

**Sheikh Naseem:** There is no challenge in terms of taxation, because whatever you are exporting, the government is not charging any VAT or any GST on that. So there is no challenge in terms of export on that, but whatever you are importing against your import it's a duty free.

So again there is no price impact on your exports. So that way, I don't find any challenge. Rather the government is giving an incentive of roughly 1% or 1.5% around on your export, whatever you do in terms of they have that scheme. So I don't find any challenge or any problem with the Indian government in terms of doing exports. The challenge comes against the Chinese player where the Chinese government is giving them incentive or rebate of 13% on their exports, that is an incentive.

They get additional 13% of their cost of production. So that's a big amount to counter the Chinese part. But in our case, since China is a very big importer of copper, they don't produce copper themselves. They don't have the mines, they don't have major processing plant into copper. So the cost of production of copper of China is substantially higher than cost of production of copper in India. So there we get an edge over China to combat with this 13%.

And recently the Chinese government after this US election have done a very good thing. Under the pressure of the Americans the Chinese government is forced to withdraw the 13% incentive

on all exports of copper and aluminium products. So that's a very good incentive on our industry, and that is where I can foresee a very good market, coming up for our company in near future.

If that remains intact, then Indian pricing will be cheaper than the Chinese pricing.

**Swaraj Singhania:** Thanks for the clarification, and the next question is what are Shera's Energy key strategy priorities for the next 3 to 5 years?

**Sheikh Naseem:** Can you please repeat sir?

**Swaraj Singhania:** Sure. What are Shera Energy's key strategy priorities for next 3 to 5 years?

**Sheikh Naseem:** This is very difficult to answer because our priorities change as the market changes, but right now our top most priority is the investment that we have made in our subsidiaries. We have to make them run smoothly in next financial year.

We are adding up new product lines for nickel based alloys that I have already updated you people, that those production capacities will be starting off by end of March, and after that the trial production and all that will go, so I plan the challenge will be to stabilize those products and market them for the next financial year.

This is going to be our first target that we have to achieve, and then next year since the Shera Energy is standalone, production facility is operating at a very substantial high volumes in terms of percentage, so I intend to do some investment, to add some machineries into Shera Energy as well in the next FY or maybe next to next year.

**Swaraj Singhania:** Okay, and are there any plans to introduce more high margin value added products?

**Sheikh Naseem:** That we are already doing sir, that is the reason we are putting up those investment into our subsidiaries Shera and Rajputana, Shera Metal and Rajputana Industries, where we are going to produce a product which have a better margin, and that will drive the company's EBITDA lines on a better scale for the next FY'2025-2026.

**Swaraj Singhania:** Okay that is from side. Thanks for the information. Best of luck.

**Sheikh Naseem:** Thank you sir.

**Moderator:** The next question comes from the line of Sonia Sehgal, an Individual Investor.

**Sonia Sehgal:** Hello sir, I want to ask you about the Zambia facility, like what exactly do you plan to do over there? And the supply would only be to the local market or there will be export somewhere too?

**Sheikh Naseem:** Madam, we are planning, we went to Zambia for exploration of mines and acquire the mine and do the mining process so that work is going on for copper and second product is gold. Now I foresee one more potential in that market, is to manufacture local products like transformers or electrical cables conductors

So these are basically totally imported from China, majorly the country is dependent for imports from China. So here I see a good potential for our company to export from India or rather start producing them there itself into Zambia. So company is focusing and discussing, it's a very preliminary stage.

I cannot declare the figures and all that as of now, but this opportunity of business is also coming up. It is not yet finalized as per our agenda, but we are considering this, we are examining all the details on that, but besides that copper processing we are going to start very soon, and I expect in next FY, you will see good growth into our supply of copper from Zambia.

**Sonia Sehgal:** So that will help you in reduction of your raw material cost, right, which can lead to margin expansion?

**Sheikh Naseem:** That is going to reduce our purchase price, first time, we for the first financial year 25-26 we expect to do that business to the tune such that it replaces roughly 20-25% of our requirement, and then next year to touch around 40-50% of our requirement. So that is going to substantially add in reducing our purchase cost and improving our EBITDA margins.

**Moderator:** The next question comes from the line of Ananya Swaminathan from Csquare.

**Ananya Swaminathan:** So are there any geographies, the company is looking to expand into?

**Sheikh Naseem:** Can you please clarify and what is your intent of that question? I am not understanding what you want to - can you please repeat?

**Ananya Swaminathan:** How do you differentiate your products in highly competitive global market?

**Sheikh Naseem:** Competition. You are asking about the competition in global market? Definitely madam, metal is a very matured line, and it is a very old line, we always have a competition, but you have to be good enough to compete in the market, in terms of quality and then the pricing So competition is always there.

**Ananya Swaminathan:** And what demand are you seeing in key export market?

**Sheikh Naseem:** What demand?

**Ananya Swaminathan:** Are you seeing in key export market?

**Sheikh Naseem:** There is a huge demand globally. There is endless demand if I speak in terms of things. The US market if it goes good with India, if they are not going to put some tariff or this like they did with Chinese. So if that is going to happen, then very big potential of market is going or sizable market is going to come to India. And beyond that, still in spite of those countries, Middle East is a very big buyer of our product, and then African countries are very big buyer of our products.

So competition is also there, competition is from China or from South America like Brazil and all that, but you have to stand into the market. You have to work as per your pocket size, if your

pocket size is big, you work big, if you work as per your working capital cash flows and what is easy available fund.

Whenever you are exporting your money is blocking for some period. You are being paid when the goods reach there, so that much cash flow the company should have, that much reserves we should have to deploy. So there is a big calculation that we do whether we put our money into the domestic market or whether we put our money into export market.

If I put all money into export the growth in the company will not come, no doubt profit will be there. But if I talk in terms of percentage, it will be there, but if I talk in terms of absolute figures, it will vanish, as compared to what we do now. So it all depends on the available cash flows in the company and available facilities available liquidity in the company, the growth and opportunity is no problem in our line.

**Moderator:** The next question comes from the line of Priya Jain from Green Capital.

**Priya Jain:** I just wanted to understand that, is there any update on the utilization rate for the expended capacity?

**Sheikh Naseem:** No madam, that data I cannot give you as of now. We have not tabulated that data, but we will be doing it shortly, and we will make it on a quarter basis. But on a range, I can give you a rough idea, we are utilizing roughly 85% to 80% of our total installed capacity as of now.

We have 3 different products, so capacity utilization is different for all 3 different products. Some products we are even attaining 90% and some products we are doing 76% to 80%, but if you put it together as a whole, it will come in the range of 80% to 85%.

**Priya Jain:** So, any further plan to expand it to 90%, 95% or 100% hopefully?

**Sheikh Naseem:** Definitely, you will see this happening into next quarter. Next quarter we are going to enhance our sales, and I expect the utilization will be better than what we did for this 9 months.

**Priya Jain:** So, any plans to leverage backward and forward integration to improve margins further?

**Sheikh Naseem:** Definitely madam, that's the reason, we are investing into Zambia, and where we are going to get our raw materials at a cheaper price than what we are getting now. So market is not going to give you additional prices on your sale. You have to compete and you have to be at par with your existing competitor.

So, there is no scope of growth of EBITDA margins. The scope of EBITDA margins in terms of percentage, growth is only in your purchasing. So the best way is to start making your own raw materials, start putting money to reduce your purchase price, and that's the reason the company has ventured into African area, and I expect this will take a good turn for the company for next FY'25-26.

**Priya Jain:** So, if you have signed any deal in Zambia?

**Sheikh Naseem:** Madam, negotiations and work are going on. I have not yet signed anything. Whatever and whenever I sign it, it will be intimated to all the investors through the exchange first, but dialogues and negotiations are in progress, and nothing yet has moved concrete, but very soon it is going to happen. So at the right time, I will intimate all my investors, and all my probable bankers for this through the proper channel that the company will make a proper declaration.

**Priya Jain:** Sir, have you identified any mines there?

**Sheikh Naseem:** Many, not only one, many.

**Priya Jain:** That's so good to hear. So I have one more question, any quotation you have happy to quote any order book especially in international market?

**Sheikh Naseem:** Our industry runs in a different manner. We never have big order books, because the metal price is changing on a day-to-day basis, so no one is going to book order for coming 4 months on a one fixed price. They book us quantities that are not a order book. They book us with quantities, that in next 4 months they are going to buy 400 tons, 500 tons

But the order will come on every 3 to 4 days every week -- weekly the orders will come, depending on the price they have closed with us. You got it?, So orders size is never big in our industry, it's normally - it starts from 25 tons maximum goes to 100 to 200 tons. So the order book is not very big as a single order, no. This industry works on a scattered orders at a differential price. Every customer does not give order on a same price, you got it?

It's a commodity madam, no one is buying things on a one day at a one flat price. It's a scattered thing, it just operates like, the money moves into exchanges, like you see the sensex, you see the nifty, how it is changing. So metal price also keeps changing like that. So no one is going to buy anything at a spot price for their requirement for coming 6 months. Everyone is buying what they need tomorrow what they need day after tomorrow.

**Priya Jain:** Fair enough sir. Also when we can expect operations in Zambia capex?

**Sheikh Naseem:** Madam, I have told you next FY, you will find the operations happening very soon.

**Priya Jain:** And what about the capex sir?

**Sheikh Naseem:** The capex, I am not supposed to answer you on this, because there are many things hidden into it. Company is working to reduce its capex requirement there. I am in dialogue with the existing plant which are already established by some other player, but let it happen, let it materialize, and once it happens. The company will be working with them on a lease basis.

So that is my first area where I am focusing too much to reduce my capex requirement, that I should also be careful in investing in a foreign land with a big investment. So I will move in a slow phase, so the requirement of money for getting the machineries and land and plant building that I am trying to cut short. I am trying to put more money into the working capital, so this is

the idea behind, and that is the reason, I am in dialogue with many people around. So I hope things will materialize soon and it will be intimated to the exchange.

**Moderator:** The next question comes from the line of Jignesh Wadia from Jeeva.

**Jignesh Wadia:** Sir, to understand the preferential allotment that we have done in November, that was only for Zambia operations?

**Sheikh Naseem:** No no. Preferential allotment was for raising our stake into our subsidiary and second for raising our working capital requirement and a small portion was supposed to go to the Zambia for our working capital requirement into Zambian operations.

**Jignesh Wadia:** Okay.

**Sheikh Naseem:** Not the whole money was going into Zambia, a small portion of that.

**Jignesh Wadia:** Right. And to understand more on the Zambia and operations that you plan to have. Any past experiences of any other players, African continent is known to be there may be some delays or some other challenges that we may face. Do we anticipate any challenges so that there can be a delay of 6 to 12 months to start the operations or everything is on a steady state basis on a very fast track mode?

**Sheikh Naseem:** Sir not to be proud of but I have experience of over 30 years into this line. I am taking my full time in studying everything. I know my pocket size, I know my investment size, and I know the place where I am working, and what are the potentials there. So, I don't want to get entrapped with someone where I will be in position where I will be losing something.

I am studying the market thoroughly. I am meeting people a lot. I am meeting with the government people. I am meeting with the agencies, and I am in a constant dialogue every month I travel to Zambia, every month I am there for 10 to 15 days. So this homework is going on and based on the experience that I have got in last 12 months.

Now I am confident that things are going to materialize soon. I have made good connections and contacts with many people working there. First I study their weaknesses, I study what shortcomings they are having, then I hit their point and based on that the people are coming to.

They are ready to make some JVs, looking to the experience that I have looking to the market that I have. So this type of negotiations, I am making with roughly 15 to 20 people, out of which 2 of them I expect to be finalized very soon, and soon I am going to intimate to the exchange, how I am going to invest, and how I am going to do the business into Zambian origin.

**Jignesh Wadia:** So sir mostly since it would be lease business so we would not require any further fundraising going ahead right?

**Sheikh Naseem:** It will you see the copper is a huge capital required product. First year, I will be doing with the capacity that I can handle with my present money that I have raised for this business. After my

good experience and after I run the business for 6-7 months or 8 months and after I get all my payments on time. I don't find challenges in getting the raw material; I don't have any problems with the government agencies working there, the labors working there.

Once everything is stabilizes it will be a bull run for the company, then I am going to take good amount of equity and good amount of investment either through the bank or from raising the fund through public sharing so the company will be going aggressive after my good experience for 6-7 months of start of operation.

So I am not committing any big thing happening in 2025-26. This is going to be the experimental phase, but the way I have learned with my experience of 12 months there. I can foresee a substantial decline into our cost of purchase, and whatever things are coming up on paper let it happen physically. Once it starts happening physically when I get confidence money will not be a problem to invest there.

**Jignesh Wadia:** Right. Thank you very much.

**Moderator:** Thank you ladies and gentlemen that was the last question for today. I would now like to hand the conference over to Ms. Samiksha Ramteke. Thank you and over to you ma'am.

**Samiksha Ramteke:** Thank you everyone for joining the conference call of Shera Energy Limited. If you have any queries you can write to us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again thank you for joining the conference call. Thank you ma'am. Thank you sir.

**Sheikh Naseem:** Thank you everyone for your valuable questions. It was pleasure answering your points. Hopefully, I have made you a satisfied answer, and even if you have further queries you may please come up with everything. I am here to answer all your queries. Thank you for being a part of the company. Thank you.

**Moderator:** Thank you ladies and gentlemen. On behalf of Kirin Advisors Private Limited that concludes this conference. You may now disconnect your lines.