SMEL/SE/2026-27/97 **November 07, 2026**

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 Second Quarter and Half Year Ended 30th September, 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 Monday, 02nd November, 2026 for the Un-audited (Standalone and Consolidated) financial result of the company for the second quarter and half year ended 30th September, 2026.

This is for your information and record.

Thanking You,

For Shyam Metalics and Energy Limited

Birendra Kumar Jain
Digitally signed by Birendra Kumar Jain
Date: 2026.11.07 14:45:20 +05'30'

Birendra Kumar Jain
Company Secretary
Membership No. F13320

“Shyam Metalics and Energy Limited

Q2 FY27 Earnings Conference Call”

November 02, 2026

MANAGEMENT: **MR. BRIJ BHUSHAN AGARWAL – 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. BINAY SARDA – E&Y**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY27 Earnings Conference Call for Shyam Metalics and Energy 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 this conference, 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 Mr. Pankaj Harlalka from Shyam Metalics and Energy Limited. Thank you, and over to you, sir.

Pankaj Harlalka: Thank you, Dorwin. Thank you, ladies and gentlemen, for joining us on the call. I wish you all a very good afternoon and an advance Shubh Deepavali, and a warm welcome to the second quarter FY27 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 Investor section on our website, and the same are accessible in the BSE, NSE websites also.

To discuss the second quarter and H1 FY27 results, I'm joined by Mr. Brij Bhushan Agarwal, Chairman and Managing Director; Mr. Deepak Agarwal, Executive Director, Finance and Compliance; and Mr. Binay Sarda from E&Y, our Investor Relations partner.

Now I would like to invite Brij Bhushan ji to provide his perspective on the performance of the second quarter of the current financial year. He will also provide his thoughts on our strengths and future strategies. Thank you, and over to you, sir.

Brij Bhushan Agarwal: Very good afternoon, ladies and gentlemen. Welcome to Shyam Metalics Q2 H1 FY27 Earnings Call. I wish you and your family a very, very Happy Diwali and a prosperous festive season. Our ambition for Shyam Metalics is clear; to build a leading integrated multi-metal business with the capability, cost competitiveness, and financial strength to grow across industry cycles.

The first half of FY27 reflects our progress towards that ambition, as investment in downstream business begins to translate into greater operating scale. We are pursuing this transformation against a mixed global backdrop.

The World Steel Association October outlook projected broadly flat global steel demand in 2026, followed by 1.7% growth in 2027. India remains the major source of growth with the demand expected to increase 7.9% in 2026 and 8% in 2027.

The opportunity is substantial and our priority is to build the capability to capture the opportunity with profitability. In Q2 FY27, revenue grew 33.4% year-on-year to INR5,960 crores, supported

by a 26% increase in the sales volume. The growing contribution of flat steel and the stainless steel demonstrate the direction of our transformation.

Under Vision 2031, we are building a business that captures the greater value for every stage of production and converts that advantage into sustainable earnings for the long-term value chain and for the beneficial for our shareholders' value. Across our metal portfolio, we are investing to broaden our capability and capture the greater value from our integrated operation.

In carbon steel HR product, the planned capacity of 1.6 million ton HR mill will strengthen our downstream foundation, while the INR900 crores and 0.8 million tons specialty bar combo mill auto steel project at Kharagpur will extend our presence into the specialized steel grade. This capability will help us to serve more demanding, engineering and manufacturing applications and build deeper customer relationship and add much greater value in the complete supply chain management.

Stainless steel represents our other significant opportunity where we are diversifying by investing INR2,700 crores expansion in our Odisha plant, with complete downstream processing capability together is scheduled both to be commissioned target by March 2029, including the SBQ plant.

By FY31, we expect this business to contribute approximately INR1,100 crores EBITDA from stainless steel and INR1,000 crores EBITDA from SBQ business, respectively. Our ambition to build a competitive integrated stainless steel complex, where we all know that we have a capability of having the backward integration, where more than 75% to 80% of the ingredients in making stainless steel will be added in the complete supply chain management.

In aluminum, our focus is on building an integrated downstream business with greater control over feedstock, quality and cost. The newly commissioned foil facility expanded our market presence, while the plant's flat roll product facility will strengthen in our house foil stock availability by strengthening the raw material, going backward integration, and adding more value to the complete supply chain management.

Fin stock and battery foil offers opportunities to serve specialty application -- special application and broaden our customer base. We will develop this business in time with customer's requirement with emphasis on product qualification, commercial viability, and profitable growth.

One more development during the quarter was proposed by acquiring 51% controlling stake in a company called Alom Solar Private Limited, the successful bidder for the Phutamura coal block in Chhattisgarh, advance our strategy to create integrated operation.

With estimate reserve of 170 million tons and the production expected by July 2027, the block will support long-term captive coal requirement and reduce the dependency on the external sources.

The estimated capex for the said project is going to be INR360 crores, where our share is going to be close to INR185 crores. An initiative is expected to generate an incremental EBITDA of close to INR400 crores by FY31. Together with captive power, railway logistics, the investment will strengthen supply security and help build resilience against raw material price volatility.

Alongside securing critical raw material, we are strengthening our energy mix to support efficient and sustainable growth. The newly commissioned solar plant of close to 9 megawatts in Jamuria will increase the renewable energy use, support lower power cost, and reduce emissions from our operations. This investment reflects our focus on environmental responsibility with long-term cost advantage.

.

These initiatives form a connected road map under the Vision 2031, secure critical inputs deepen operational integration, and expand our value presence in the various metal sectors such as stainless steel, aluminum, auto steel, flat product, color-coated business, and other various flat products which is used in the special application. Capacity expansion will support by the technical capability, product quality, and customer relationship it needs to build for a long-term profitable business.

Looking ahead, our priority is to translate our investment program into sustainable operating performance. This means commissioning projects on schedule, ramping up new facilities efficiently, and building world-class plant with decent profitable numbers across various metal chain. Alongside capacity, we will strengthen product quality, technical capability, and customer relationship to establish a large presence in high-value application.

Raw material security and cost competitiveness will remain central to this growth. Our investment in mining, beneficiation, and downstream integration are intended to give us greater control over critical input and strengthen our ability to perform through changing market conditions. We will support this progress with disciplined capital allocation, keeping cash generation, return on investment at the center of our decision to create lasting value for our shareholders.

Once again, thank you for the continued support and trust you have shown in the company, Shyam Metalics. I will now invite our Group CFO, to take you through the financial performance, following which we will be happy to start with our Q&A session. Thank you so much.

Deepak Agarwal: Thank you, sir. Good evening, everyone. I am Deepak Agarwal, Director Finance and Group CFO of Shyam Metalics and Energy Limited. Before moving ahead, I want to extend a warm Diwali greetings to you and your family. Our Chairman has outlined our strategic direction. I will take you through our financial performance for the second quarter and also for half yearly of the current financial year, that is 2026/'27.

Our financial performance for the second quarter built on the momentum of the first quarter with revenue, operating EBITDA, and profit after tax growing both year-on-year and sequentially.

Revenue from operations stood at INR5,960 crores, up 33.4% on year-on-year basis and 9.3% on quarter-on-quarter basis. Similarly, the EBITDA increased 40.9% on year-on-year basis and 5.5% on quarter-on-quarter basis, which stood at INR857 crores, with a margin of 14.4%.

Operating EBITDA, excluding the other income, grew 52.6% on year-on-year basis and 7.5% on quarter-on-quarter basis to INR823 crores. The operating EBITDA margin expanded by 170 bps year-on-year basis to 13.8%. Profit after tax increased to 96.2% on year-on-year basis and 45.7% on a quarter-on-quarter basis to INR511 crores, supported by strong operating earnings and a lower depreciation cost during this quarter.

The first half year of the current financial year, the revenues stood at INR11,415 crores, up 28.4% on year-on-year basis. EBITDA increased 34.4% to INR1,670 crores with a margin of 14.6%. Operating EBITDA grew by 41.9% to INR1,588 crores, with an operating EBITDA margin at 13.9%. The profit after tax for the first half of the current financial year increased by 56.4% to INR862 crores, with a PAT margin of 7.5%.

As you would have read through in our presentation, during this quarter, we changed our depreciation methodology, the shifting from written-down value method to straight-line method, which is in line with the industry practice to provide a more representative, and true and fair picture of the company's financial performance. At Shyam Metalics, we have continuously strive to make our communications more transparent and effective, and we continue to align with all stakeholders in this regard.

Our earnings performance was accompanied by a strong operating cash flow of INR1,544 crores during the first half, covering a capital expenditure of INR1,291 crores. This reinforces our ability to fund the ongoing expansion program primarily through internal accrual, reflecting the strength of our cash generation and a disciplined capital allocation.

Since listing, the company has incurred a capital expenditure of INR9,921 crores, representing approximately 53% of the total planned capex of INR18,785 crores. Of this, INR6,671 crores has already been capitalized. During the quarter, we incurred a capex of INR716 crores, reflecting our continuous focus on executing the planned capital investment program and strengthening our operational capability.

The balance planned capex of approximately INR8,864 crores is expected to be deployed over the next 2 to 3 years, and which is also through our internal accrual, and which is also in line with the project execution timelines.

As far as working capital discipline, the working capital discipline remains central to this approach. As of September 2026, the working capital stood at a negative 16 days, supporting efficient utilization of capital and liquidity. The net debt remained modest at INR192 crores, providing a flexibility to meet our investment requirement while maintaining the prudent leverage.

Our focus also remains on improving the returns generated by our asset base. As of September 2026, we are further strengthening the profitability to a RoE of 14% and RoCE is at 20%.

Importantly, these returns do not factor in the earning potentials of approximately of INR3,000 crores of CWIP is in our asset base, arising from our announced capex program as these assets are commissioned and begin contributing to operations.

We expect them to further enhance our profitability and drive a meaningful improvement in returns. Higher utilizations, greater downstream integrations, and disciplined capital allocations will be key to strengthening these returns as of our investments mature. We continue to target RoE of 16% and RoCE of 24% by 2031.

Our operating performance this quarter was marked by strong volume growth, led by the continued scale-up of flat steel and stainless steel. The total sales volume increased by 26% on year-on basis to 15.49 lakh tons in quarter 2 of the current financial year, taking first half of volume is INR29.32 lakh tons, up from 20%.

The carbon steel flat product sales more than double year-on-year basis to approximately 81,500 tons, while stainless steel volume grew by 20.7% to approximately 29,850 tons. Stainless steel realization has also increased by 35.2% on year-on-year basis.

Supporting the growing contribution of our downstream businesses, the carbon steel long product volume grew modestly year-on-year basis and increased 6.8% quarter-on-quarter basis. Specialty alloy recorded volume growth of 4.7% on year-on-year basis, alongside an 18.4% improvement in realization.

As far as aluminum volume has increased by 3%, while realizations rose by 27.7% on year-on-year basis, supporting revenue performance. Our expansion program continued to progress during this quarter with a commissioning milestone in downstream aluminum and raw material beneficiation.

In July, we commissioned 18,000 tons per annum of aluminum foil facility at Sambalpur, taking total foil capacity to approximately 42,000 tons per annum. The INR800 crores of downstream aluminum program also includes a planned 60,000 tons per annum of FRP facility, which strengthens our backward integration and reduce dependency on external foil stock and supports margins improving.

Alongside this downstream expenses, we commissioned a 1.5 million ton of beneficiation plant at Sambalpur with an investment of INR150 crores. By upgrading the lower grade ore into higher quality feedstock, the facility strengthened raw material integration and supports better resources utilization and cost efficiency.

As a part of our efforts to streamline operation, the NCLT has also approved the amalgamation of Shree Venkateshwara Electro steel cast into a Shyam Sel Limited consolidating our aluminum foil operations. This merger is expected to improve our operational efficiency, and also we will get the tax benefit of over INR15 crores through the utilizations of carryforward losses from this unit.

Together, this initiative support our progress towards Vision 2031 and our aim is not simply to add capacity, but to build a better earning mix and improve the productivity of the capital we deploy. To conclude this statement, the first half of 2027 has combined a strong financial performance with tangible progress in downstream capacity and raw material integration.

Our priorities for the coming quarter are clear; stabilize newly commissioned facility, build profitability volumes across verticals, execute the existing investment program, and strengthening the cash conversion.

I would take this opportunity to thank you, our customers, employees, partners and investors for their continuous confidence in Shyam Metalics. Thank you for your time and continued support. With that, I conclude my remarks, and we will be happy to take your question. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Amit Dixit with Goldman Sachs.

Amit Dixit: Congratulations for a very good set of numbers this quarter. A couple of questions from my side. The first one is essentially, if I dissect the revenue growth, almost 70% of it comes from the volumes. I just wanted to understand the volume drivers we have over next, let us say, next 6 months or maybe 1 year. I know there is a sponge iron plant that is coming up and then you have a stainless steel plant. So just wanted to get your thoughts on the volume drivers in next, let us say, 12 months or so?

Brij Bhushan Agarwal: Amit, we will not see a major change on the revenue-driving mechanism, what is going right now. But I can tell you in next 2 years from now, we should be able to do more than 75%, close to 70% or 80% from value added, and it will be from -- 20% will be from the basic supplies what we -- which has a major portion today.

Because all the plants which are coming up, like HR, will be consuming the pig iron, will be the stainless steel plant, what is going to come up will be consuming the sponge iron, the specialty alloy, the ferroalloys.

And in the Ramsarup also, the SBQ plant where we are selling now the pig iron, we'll be able to convert that into a value-added steel. So if you see the major portion of the business is going to convert into the high value-added business.

Moderator: Amit, does that answer your question?

Amit Dixit: Yes, yes, it does. I thought the management line got disconnected. Anyways, I would ask my second question. The second one is essentially on the MOU for Maharashtra Steel Complex now. This is certainly something new, sir.

I mean, everybody in the steel industry seems to be thinking of putting up some kind of a plant in Maharashtra. In your case, we are doing an investment, an unprecedented investment of INR50,000 crores, 9 MTPA plant. Just wanted to get, I know these are still early days, but broad contours of how, I mean, you are thinking this will shape up.

Brij Bhushan Agarwal: See, our total business plan for Maharashtra for 9 million tons is going to be done in 8 to 10 years, one. So it is nothing immediate on the table. Because we have signed the MOU. The government is going to give us a land in next 1 year, 1.5 years, it depends. Then we take around 6 months for engineering all the -- so for next 1.5, 2 years, there is no such decision on the execution of this project is going to be mature. These are all the preliminary homework what we have to do to set up the bigger plants.

Now after '29, '30, when the major capex, we are going to be capitalized and we see a lot of value coming up from our existing business, this is going to be the next mode of business expansion. But yes, definitely, we are very serious on the Maharashtra project. A, like we are getting into a different zone. B, we are getting into the source of the new raw material, which is going to come up from Gadchiroli Mining Corporation, Government of Maharashtra, where they have assured us and there's a lot of subsidies and other advantages what we are seeing.

So for our next growth story, we are very optimistic, but immediately, to drive all these projects, it takes a lot of time. And we also have iron ore mines in Maharasthra, which got allocated a couple of years before. So it makes a lot of strategic advantage for our company to think after '29, '30 for a new business, where we have to go with a mega project.

Amit Dixit: Sir, I just wanted to get an idea whether it would be a flat heavy plant or you will be having a mix of flats or long, or it would be like more of...

Brij Bhushan Agarwal: Flat definitely will be there. Flat will be there, some value-added steel will be there. In the flat also now, a lot of brown steel, the Corten steel, the chemistry and the metallurgy. So we are at a very initial stage right now. We will take time to -- but definitely, it will be a combination of your generic and the value-added steel.

And these are all the best 10 plants, what we are talking for Maharashtra. Each plant is going to be close to 4.5 million ton, 5 million ton, the first phase will come. And after the first phase, the second phase will come.

So the initial investment is going to be only for 4.5 million to 5 million tons. Definitely, we're not going to take 9 million tons in advance, but it is going to take time. We are at a very groundwork stage where we have just signed the MOU. We are identifying the land.

Once we identify the land, the government will do a notification, they will acquire the land and they will give us. It's a long process. It is just a preliminary homework, a process what we have started for our major growth action after '29, '30. Not before that.

Amit Dixit: And this 9 million tons per annum, just to be clear, it is at the crude steel capacity level?

Brij Bhushan Agarwal: Yes. Correct. Correct. First, we will do 4.5 million tons. So that is a model everybody follows. And we are keeping -- MOU has been done to secure your raw material, your land and all, so that once you share a business plan with the Government of Maharashtra, you have to give your 10 years vision. So that is all we have stated in the MOU as well.

Moderator: Our next question comes from the line of Satyadeep Jain with Ambit Capital.

Satyadeep Jain: Sir, initially, first question would be just a follow-up question on the Maharasthra MOU. I think, strategy for the last 2, 3 years has been to expand into higher value-added and less cyclical sectors, stainless steel, aluminum foil, and all. What is -- now you're -- I think, with the MOU, you'll be going back in a big way in a cyclical sector again. I know you want to maintain your market share in the longs and in the flats on the crude steel front. But what's the thought behind this? And would this come in the joint venture? Or this would be entirely Shyam Metalics?

Brij Bhushan Agarwal: Mr. Jain, first of all, it is 100% going to be under Shyam Metalics. B, Shyam Metalics, if you see as a company, you have seen like we had been always growing in the selective sector where we have invested. Since we are growing in the HR flat product, which the plant of Jamuria is going to be commissioned by 2028, we just don't want to be 1.5 million, 2 million ton player.

We are seeing now, presently, there's a huge shortage of HR. And in the time to come also, the way the country is growing, and if you want to do a bigger bet on the growth and the value for our shareholders, this is a model what we have to offer. But it doesn't mean that we are not going to expand in the value-added steel, because in HR also, if you are going to set up the HR, then definitely the color-coated line will come. The corrugated line will come, the lot of the finishing white good line will come. So a lot of value-added will come with that also.

But these are on a very initial stage. I will not be able to state 100% business model right now, because a lot of correction takes place, and we are waiting for the mining in Maharashtra to start. At present, we are not seeing any mines in Maharashtra to start. Once the government start their mine, then we will do a groundbreaking ceremony. And it will take time.

So I don't see any short term, like we are taking a call by next year or something in 6 months or so. It is going to take time. And we are growing -- we are growing in the stainless steel. We are putting up a lot of value-added. It will take 2, 2.5, 3 years to stabilize the complete business from today. We are putting up auto steel, so there also we will grow. But we want to stabilize one-by-one.

But it doesn't mean that we are not going to make HR further, or we are only going to make a stainless steel. It's basically a multi-bagger metal basket when we call it as a Shyam Metalics. So we have to make sure that we have to grow by 20%, 25% every year. So that is the complete plot. So we are near to the market. Yes.

Satyadeep Jain: Is it fair to assume that after '29, '30, is the current stage of expansion, you would look at explore this opportunity and in conjunction maybe still explore expansion in stainless steel and aluminum foil or?

Brij Bhushan Agarwal: Why not? Yes, why not? Yes, we have been always growing -- we commissioned the first plant, then we take over the second plant. Once we start the business, then we start growing with our comfort and trust. We don't put everything in one basket at one time.

So once the market stabilizes, then further we will do it. But at this point of time, it's not something which I'm saying, but this is the way that we had been doing. Till we are not 1,000% sure, we don't take any project further till we are very comfortable.

Satyadeep Jain: Okay. Second question would be on the margins in -- some of the businesses this year, stainless steel, specialty alloys, aluminum foil have been much stronger versus what we saw in the past. Any specific reason what is driving higher margins on some of these products this year versus the past?

Brij Bhushan Agarwal: Demand is good. And in stainless steel, we have gone with the value-added product. We are making specialty wires. We are making pipes. We are getting more into a downstream product where we can extract the maximum value.

So the value is coming from the stainless steel. The plant is getting stabilized day-by-day. So whatever modifications, whatever changes, product changes and also, it is a continuous improvement, nothing very specific I can tell you.

And in aluminum, also, we -- aluminum is good because of the lot of disruption in the Middle East. We are seeing like a lot of demand in the aluminum foil product. A lot of plants are shut down over there. And also the demand is growing in India as well as the export and all. So it's a combination, nothing very specific.

Moderator: Our next question comes from the line of Vikash Singh with ICICI Securities.

Vikash Singh: First of all, congratulations on a very good set of numbers in a difficult time. Sir, just wanted to understand our capital allocation policy here. If I am not wrong, I thought that we had a huge land bank available in the West Bengal itself, while we are talking about 2 to 3 years down the line, a larger capex in Maharashtra.

So shall we understood that now West Bengal would not have any large capacity addition in this field, and remaining would go for the Maharashtra? Because simultaneously doing both the capex would go against our net cash internal accrual basis policy. So just wanted to understand how we are managing that.

Brij Bhushan Agarwal: First of all, we have a land in Bengal, and we can further increase. But at this point of time, we don't have such plans. Till we stabilize everything in Bengal, then we will take the expansion of the second phase of Bengal. Whereas Maharashtra is concerned, I have already stated that we are at a very initial stage. We have a strong intent to build up a world-class plant in Maharashtra, but it will take some time.

So presently, for next few quarters, I don't see any kind of major financials outflow coming out in Maharashtra project, because we are at a very initial stage. Maharashtra also has to grow and the existing plant, downstream facility, modification, expansion will also grow.

With our present capital policy, you have been -- we have now proven, like in so many years, in last 30 years, without the debt, we are growing. We are putting our equity and we are only investing seeing our financial flows and taking decisions step-by-step. So we should not be worried and we have enough cushion in our balance sheet and all.

If there is some shortfall of INR400 crores, INR500 crores, INR1,000 crores, so it really doesn't matter for us. So the company has a very robust performance. The balance sheet is very strong,

but we don't have any intent to build up any kind of debt till we feel that it is a need of an hour. So we have a cushion. But we want to grow some of the internal equity.

Vikash Singh: Noted, sir. Sir, second question pertains to, given the return profile of all 3, stainless, aluminum, and steel, our capital allocation policy would be leaned towards which segment most? Because whatever you have announced is announced. Going forward, basically, I just wanted to understand that, because this allocation should be on the best margin business, right? So if you could tell us that which segment is the best in terms of margin, how the hierarchy at this point of time?

Brij Bhushan Agarwal: Every business, what we do, we calculate a decent margin, IRR is concerned, but it doesn't mean that we'll put all the egg in one basket. When we say from the Shyam Metalics point of view, I calculate that we had been floundering from around 11.5% -- 11%, 11.5%, 12% EBITDA. We would like to take it our overall business to 16%, 15% EBITDA level. I'm talking about 14.5% plus. So that is a goal. But it doesn't mean that I'll put so much pressure on 1 product that I start eating the margin of the same product and put all the eggs in one basket.

So stainless steel will give a decent EBITDA of around INR13,000 to 15,000 per ton. Carbon steel has been giving a decent EBITDA of around INR6,000, INR7,000 per ton on an average. Other businesses, aluminium had been giving an EBITDA of around INR40,000 per ton, but the size of the aluminum is not as big as if you see from the volume side and from the bottom line.

But we have to make sure that in the time to come, we have to increase the spread of our bottom line from 11.5% to 12% what we had been maintaining from a few quarters to 14.5%, 15% or 16%. That is the basic goal.

Moderator: Our next question comes from the line of Rajesh Majumdar with 360 ONE Capital.

Rajesh Majumdar: Sir, I had a couple of questions. First was, my question was on Mittal Corp. Ever since the acquisition, what has been the performance in Mittal Corp.? How has the numbers changed since you acquired the company? That was the first question.

Brij Bhushan Agarwal: Mittal Corp. is doing pretty decent now. We are -- our capacity utilization is close to 85%. And we are right now building up a value chain in the Mittal Steel, like we have started the wire business. We are exporting the wires, bright bars, and all. So this is what we are doing in Mittal Corp.

And in the time to come, as RoCE, I can tell you the kind of investment, what we did, we must be doing a RoCE of more than 20%, 25% approximately in Mittal Corp. If you see the net block of investment, what we had done it. We are not doing any major expansion in Mittal Corp. in the long product, because we feel like we have to invest more on the downstream rather than upstream.

Rajesh Majumdar: And in terms of sales and EBITDA per ton, how is Mittal Corp. doing right now?

Brij Bhushan Agarwal: I think it should be around INR8,000. Deepak, can you please correct me?

Deepak Agarwal: Yes, INR10,000 per ton.

Brij Bhushan Agarwal: INR10,000 per ton. Sorry, Rajesh, I'm not very good with numbers. You know very well.

Rajesh Majumdar: That's fine. I just wanted to have a feel of the numbers.

Brij Bhushan Agarwal: So many products and all, so I don't want to be -- yes, yes, yes. But, yes.

Rajesh Majumdar: And sir, my second question was on the coated steel business. We are seeing a number of players, including some from West Bengal, smaller companies, entering the coated steel business. Do you foresee that coated competition is going up so much that the coated margins will suffer down the line? We're seeing a number of players getting into this business now, as per the announcements. Yes.

Brij Bhushan Agarwal: No, I didn't hear anyone. Who is coming up in Bengal?

Rajesh Majumdar: Like BMW Industries, etcetera. These companies are talking about expansion in coated lines.

Brij Bhushan Agarwal: How does it matter? The market is growing. We are putting up our HR plant. We have a backward integration. We have a brand. The market is growing. The export market is opening. We are exporting also. So it's okay. There is enough space in the market if somebody wants to put up and all. But I really like -- I really, I'm not aware of, A. BMW is more of a converter business. They are doing the conversion for Tata Steel. Their model is different.

Rajesh Majumdar: They have commissioned the first color-coated line as of October 5 in Bokaro. They have implemented about INR800 crores capex on the coated line and they're expanding that. There are a couple of other players also. So, I just wanted to have some feel on that. Because...

Brij Bhushan Agarwal: No. No, nothing to worry.

Rajesh Majumdar: We were enjoying high margins in coated steel here.

Brij Bhushan Agarwal: You can't survive in the long term without your HR. You need to have your HR. This is not going to be a business like before that you buy an HR as you make color-coated. So the kind of business what we are building up, we are building from end-to-end from ore to colors. And we don't have to look back.

Actually really not -- I'm actually not bothered. If the capacity comes, all over India market is there. Everybody will have their own space. But the kind of brand we are building up, and which is becoming stronger day-by-day, I'm sure we will be doing better than what we are doing today.

Moderator: Our next question comes from the line of Tanuj Nangalia with SKP.

Tanuj Nangalia: Firstly, congratulations for the good set of numbers. I had one question. Like in this quarter, we saw the raw material cost fell about 71% of the revenue, while the several peers saw it rise. So can you explain this like, was it because of cheaper inputs or because of product mix?

Brij Bhushan Agarwal: No. The raw material prices have gone up. The raw material prices have gone up. Everybody knows that. Every raw material after the oil issues and all, every prices there is there. But the prices of the market has also gone up. So it is kind of a pass-through. And this will start happening only because we don't have so much extra steel in the country that will be dominating on the -- so it's a mix of -- the demand is also going up, the raw material prices have also gone up. Yes, there must be some advantage of some raw materials and all on the growing part. It's okay.

Moderator: Our next question comes from the line of Madhav Somani, an Individual Investor.

Madhav Somani: Yes, sir. My question is, sir, with the company's strong growth momentum, how do we see EBITDA per ton and operating margins evolving over the next 2 to 3 years?

Brij Bhushan Agarwal: I think we have discussed so many times, when we are getting into the stainless steel business, the numbers have been shared. The HR coil business, the number has been shared. The auto steel business, the number has been shared.

So we are seeing like if you are adding 1.6 million in the HR, we are adding close to 0.8 million in the auto steel, which is again, 2.4 million, and we're adding stainless steel 0.6 million, it's more than 3 million tons, which we are seeing in the next 2 years. The number has been changed.

And all the business are above INR10,000 per ton EBITDA. So the number is very visible in the company now. And all these projects are on the ground. It's not on the MOU stage or something, what we are talking. It is all rational, realistic. So that is one.

Madhav Somani: And sir, my second question is, after the ongoing expansion projects, how do we see company's net debt in future?

Brij Bhushan Agarwal: We are going to remain like this only, more or less.

Moderator: Ladies and gentlemen, that was our last question for today. I would now like to hand the conference over to Mr. Binay Sarda from E&Y for closing comments. Over to you, sir.

Binay Sarda: Thank you, Dorwin, and thank you, everyone, for joining today's call. We hope the discussion has addressed your questions and provided useful insight. On behalf of all participants, I would also like to thank the management team for their time and for addressing the questions raised.

Should you have any further queries, please feel free to reach out to us using the contact details provided in the press release and investor presentation. Thank you once again, and have a good day. Thank you.

Brij Bhushan Agarwal: Thank you. Thank you to everyone.

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