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November 13, 2025

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
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Dear Sir/Madam,

Sub: Transcript of the conference call for Un-audited (Standalone and Consolidated) Financial Results for the second quarter and half year ended 30th September, 2025

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, 10th November, 2025 for the Un-audited (Standalone and Consolidated) financial result of the company for the second quarter and half year ended 30th September, 2025.

This is for your information and record.

Thanking You,

For Shyam Metalics and Energy Limited

Birendra Kumar Jain
Company Secretary & Compliance Officer
M No. F13320

OUR BRANDS



SHYAM METALICS AND ENERGY LIMITED

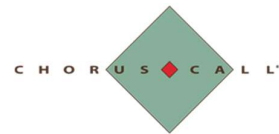
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**“Shyam Metals and Energy Limited
Q2 & H1 FY '26 Earnings Conference Call”
November 10, 2025**



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

MODERATOR: **MR. SUMEET KHAITAN – MUFG INTIME INDIA
PRIVATE LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Q2 H1 FY '26 Earnings Conference Call of Shyam Metals and Energy Limited, hosted by MUFG Intime. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

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

Pankaj Harlalka:

Thank you, Risha. Thank you, ladies and gentlemen, for joining us in the call. I, Pankaj Harlalka, Head of Investor Relations at Shyam Metals, wish you all a very good afternoon, Shubh Dipavali, and a warm welcome to the second quarter FY '26 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 websites.

To discuss the second quarter and H1 results FY '26, I'm joined by Mr. Brij Bhushan Agarwal, Chairman and Managing Director; Mr. Deepak Agarwal, Executive Director, Finance and Compliance; and Mr. Sumeet Khaitan from MUFG Intime, 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 strength and strategies of the future. Thank you, and over to you, sir.

Brij Bhushan Agarwal:

Very, very good afternoon, everyone. Thank you for joining the call. As we all know, the industry faced a challenging macro environment during the quarter. While the domestic demand remains steady, the price of the raw material remained on the downward trend, reflecting a softer pricing environment. Against this backdrop, Shyam Metals delivered a strong performance this quarter, driven by our comprehensive multi-metal portfolio and disciplined operation.

Our focus on expanding value-added offering, enhancing process efficiency and managing cost leadership supported the robust financial results. Revenue for the quarter grew 23% year-on-year, while operating EBITDA increased by 32%. Our volume for the quarter was up by 24% year-on-year. This performance highlights the strength of our integrated diversified business model and consistent execution by the team across all the divisions.

On the operational front and the strategy, we have taken a decision to discontinue the DI pipe plant project, which was followed with the pig iron plant in Ramsarup. This decision was made after a detailed review of the technological shift and evolving market dynamics. We believe redirecting our capital towards higher-value segment will deliver stronger long-term result and improve the overall resilience of our portfolio.

I'm also pleased to report that the blast furnace of Ramsarup Industries is on the final stage of commissioning. Stove heating and pre-commissioning began, and we expect to commercialize the production very soon. The 0.45 million tonne blast furnace will significantly enhance our capacity to serve the growing demand of alloy, carbon and special steel product. Revenue contribution from this product and project are expected from December 2025, marking an important milestone in our expansion journey and strengthening our integration capability.

In another positive development, CRISIL ratings has upgraded our long-term rating from CRISIL AA+ stable -- to CRISIL AA+ stable from AA+ positive and reaffirmed our short-term rating at CRISIL A1+. This reflects our strong business risk profile, diversified operation, healthy financials, robust liquidity, prudent capital management and experienced leadership.

Our growth road map remains firm on track. Our ongoing capex are progressing well, and we're steadily moving towards the completion. As on H1 FY '26, we have incurred INR7,529 crores of capex, which accounts 80% of the total capex plan at INR9,425 crores, which we have capitalized, 4,908 crores, accounting to 52% of the total. The project execution is on the track, and we remain committed to ensure timely commissioning, operational efficiency, prudent capital deployment to support future growth.

In line with our long-term vision, we continue to plan proactively for the next phase of growth and to ensure strong future cash flow as our current capex program is scheduled to be fully developed by March 2027, fully deployed. The new investment will enable us to move further up the value curve, enhance the margin sustainability and reinforce our position as the leading integrated metal player. We will share detailed updates on this plan in due course as we finalize specific project timeline.

To conclude, we remain committed to driving sustainable growth, enhancing profitability and creating long-term value for all our stakeholders. Thank you for your continued trust, support, and we look forward to engaging with you in the quarters ahead.

With now, I conclude my speech, and I would request our CFO, Mr. Deepak Agarwal to take us through the financial performance. Thank you. On to you, Deepak.

Deepak Agarwal:

Thank you, sir. A very good afternoon to all the participants, and thank you for joining us on the call. I will give a quick review of the reported consolidated financials for the quarter under review and for the first half.

On a consolidated basis, the company for the second quarter of the current financial year reported a revenue of INR4,457 crores showing a growth of 23% over the last year quarter 2. We have been able to sell a higher percentage of finished steel volumes, which was -- which has enabled the company to overcome the rise in the input cost and modernization in finished steel prices.

As a result, our EBITDA for second quarter of the current financial year on a consolidated basis stood at INR609 crores, a growth of 26% over the last year quarter 2. And the profit after tax stood at INR260 crores. To highlight this point, our revenue growth in quarter 2 of the current financial year has been primarily driven by a meaningful increase in the sales volume of pig iron

and color-coated steel. Pig iron's contribution in terms of revenue account for 11.3%. We have delivered a strong PAT of INR260 crores, supported by our robust balance sheet, healthy liquidity position and low leverage.

I would also like to highlight a very important development that the CRISIL has upgraded our long-term rating from AA positive to AA+ stable and reaffirmed our short-term rating at A1+. This is the highest rating in our peer group and is strong external validations of the company's financial discipline, operational resilience and long-term strategic clarity.

This upgrade reflects our consistent conservative capital structure, robust liquidity position, disciplined capital allocation, strong governance standards and the leadership depth within the organization. And the same has also been pointed out by the CRISIL India Rationales.

Importantly, this rating places us in a select category of companies in the metal and mining space, reinforcing our credibility with the lenders, investors and stakeholders. It has strengthened our ability to access capital at favorable terms, enhances financial flexibility and positions us strongly to execute our next phase of growth without compromising on leverage or any risk parameter.

Now I will quickly review the first half of the financial. For the first half of the current financial, we reported a revenue of INR8,876 crores, a growth of 22.5% over the last half year. In terms of revenue mix, the high value-added segment accounted for 28.5% of the first year of the current financial year revenue as against 25% of the financial -- the half year of the last financial year.

The first half of the current financial year, we reported an EBITDA of INR1,242 crores, a growth of 21.8% over the last year's first half. Our EBITDA margin in the first half of the current financial year stood at 14% compared to 14.1% in the first half of the last financial year, reflecting a stable margin performance despite decrease in per tonne realization in few product segments.

We continue to focus on improving our product mix, enhancing realizations, driving operational efficiency through cost optimization and rationalization measures. These efforts have enabled us to deliver a strong net profit of INR551 crores in the first half of the current financial year, representing a 12.1% growth over the last year's first half.

We achieved a notable improvement in our working capital cycle. For the first half of the current financial year, our working capital days stood at 18 days as compared with the 22 days at the end of the last financial year. At all points in time, our gross debt-to-equity ratio has remained below 0.5x. The gross debt equity, which was 0.07x at the end of the financial year '25 is now at 0.10x at the end of the first half of the current financial year.

At a net level, we remain cash positive with the current investments and bank balance of INR1,694 crores against a gross debt of INR1,075 crores. We wish to inform that the post dropping off implementation of DI pipe project, our announced capex since IPO aggregating to INR9,425 crores. We have already incurred INR7,529 crores against INR9,425 crores, which aggregates to 80% of the total capex. We have already capitalized INR4,908 crores. The

remaining capex of around INR2,559 crores shall be incurred over the next 2 years. We have spent INR945 crores of capex in the first half of the current financial year and INR526 crores in the second quarter of the current financial year. Our strategy has always been to incur capital expenditure in a smaller, well-phased manner to ensure that the balance sheet is never strained.

At all times, we're closely monitoring liquidity solvency and capital efficiency ratio. I would like to assure you that the company continued to sustain a healthy financial risk profile despite pursuing capital expenditure plan of INR2,559 crores over the next 2 years, added by the internal cash generation and sufficient liquidity surpluses. This ensure that we will take only limited debt, and which will be in the form of working capital if required at any temporary fund flow mismatch. Most of the expenses are being undertaken without our existing facility and are organic in nature.

I would also like to reiterate that the bank limit utilization at the consolidated level is expected to remain moderate even going forward. The annual cash accrual should also be comfortable suffice for our capital expenditure requirements as well as debt repayment.

Now I conclude my portion of the speech through the floor open for the question-and-answer session. Thank you.

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

Amit Dixit: I have a couple of them. The first one is on a recently introduced PLI scheme for stainless steel and for the specialty steel. So just wanted to understand that how we are going to benefit from that? And how much benefit can we quantify over the next 5 years, at least, I mean, that's what document speaks of?

Brij Bhushan Agarwal: Actually, the scheme has just been announced. We are evaluating, but more or less, we have seen that close to around INR400 crores to INR500 crores, we can be -- we can get the benefit from the PLI in the stainless-steel business. But final figure, we can't discuss right now because there are a lot of clarifications which is required, which might -- our team is in touch with the PLI bodies. And once we get all the clarifications, then we will share the note.

Amit Dixit: Okay. Got it. The second question is essentially on stainless. Now as I understand that some of the capex that we would be spending would also be towards stainless. And now we are basically entering in -- I would say, we would be one of the largest players in India apart from Jindal Stainless, and we would be entering directly into competition with them. And our EBITDA per tonne at least as of now is lower than Jindal Stainless. So just wanted to understand our thoughts around that, how we are going to increase the EBITDA per tonne? And what are the thoughts on Jindal Stainless as a competitor?

Brij Bhushan Agarwal: See, right now, we are into the long product. We just took a company from the NCLT a couple of years before. And now we have stabilized the plant, and we are creating a complete value chain in the long product. So, the numbers, what you are seeing is in the long product, if you compare the stainless-steel number of Shyam Metalics vis-a-vis Jindal Stainless. And in long

product also, we are adding the wires, which we already commissioned, and we are doing some more addition in the wires and bright bars businesses, which will enhance the number on the downstream side.

On the upstream side, we are building our own steel melting shop in our existing Odisha plant, where we have our own captive power, we have our own specialty alloy, ferro alloys, iron. So, in the time to come, our cost will also be substantially low in comparison to what we are incurring now. So, we'll be able to create a decent margin in our existing long product profile.

In addition to that, we are also setting up a flat product, what Jindal Stainless is doing. And we believe that once we are able to commission this plant, we will have an edge from the ore to metal -- like, we'll be making the stainless steel from the iron ore and the ferro alloy ores with our own captive power with our own steel melting shop.

And we are going downstream in the flat product from the HR to the CR final products. So, we will see a lot of value addition happening once we come into the stream. So, we will be -- it's very difficult for me to share right now like we will be cheaper than Jindal Stainless, but yes, we will be highly competitive, I can tell you.

Deepak Agarwal:

In addition to this, I would also like to highlight that once our flat stainless steel will be commissioned maybe in the year '26, '27, then you will see our margin will almost very competitively improve -- substantially improvement will be arrived in the coming year.

Brij Bhushan Agarwal:

Yes. Everything will change because we are going all on the value addition, major expansions of the organization is getting into a more value-added chain like stainless steel, aluminum, we are putting up backward integration. We are -- so if we are making our own melting shop from the ore to steel, so we will be at the global competition level, like we have everything in our country, except the nickel. So, nickel is -- most of our products are 200 and 400 series where it doesn't attract too much of nickel as an ingredient or a cost. So, we'll see a lot of things will transform in the years to come.

Moderator:

The next question is from the line of Shaleen Kumar from UBS.

Shaleen Kumar:

Congratulations to the management for a pretty decent set of numbers given the tough environment and also, congratulations on the rating upgrade. Just to begin with, if I can ask on sector-level question. Bhushan ji, there have been multiple quarters of -- we are seeing that there is a declining realization.

I mean any -- if you can just highlight what's your sense if you're talking to your peers or your customers, etcetera, like is it the demand issue, supply issue? What are the problems? Any insights on that? Are we close to the bottom of the realization? Or do you think that this pain may still stay for next few quarters or whatever you can add value here?

Brij Bhushan Agarwal:

If you see overall, there has been a big turbulence in this metal business in last 2, 3 quarters. We are seeing the correction in the raw material prices are not very big. The iron ore prices are pretty tightened. And we are also seeing there is a lot of disruption happening across because a lot of

exports in the complete sector affected because of so much of ambiguities in the policies internationally, what we are seeing.

But apart from that also, if you see overall, we have been able to sell what we have produced. We are able to get into -- more into a value addition. We are converting our businesses more on the value side. We are going more downstream, activities. We are creating more high-margin products. So, a lot of activity within the organization, we are trying to capitalize.

On the value addition side, if you see all the capex, what you see is related to the downstream activity. Nothing is coming on the upstream. So, we are just trying to get more and more into a downstream value chain, and we are adding -- we are planning to add more and more numbers in a time so that we can increase more and more bottom line once we increase more and more value addition. So, this is something what we are doing now.

And on the stainless-steel side, like the major ingredient for the stainless steel is iron, ferro alloys, specialty alloys and power. So, we are very much within in that space, like when we are putting up any new projects, it's nothing like we are doing something greenfield. It's all brownfield projects where we are adding a lot of value.

And now in the last couple of years, getting into a new stainless-steel stream with a small capex, we have learned how to create a better value for the company, Shyam Metalics. And we are not seeing a major competition in the stainless steel presently. So, we are sure with our competence level, with our past record and whatever we are doing right now, we will be able to create a good number in the near future.

Shaleen Kumar:

No, no. Sure, sir. I agree on that. I think the execution has been pretty remarkable. If I ask -- I could see in the presentation that you have decided to drop the DI pipe capex. If you can answer what's the rationale behind that?

Brij Bhushan Agarwal:

See, we have been evaluating like we were working on the DI project for almost 1.5-2 years. And from last 6-8 months, we have been contemplating because there are a lot of changes, and shift has happened on the technology of the pipe. Because a lot of places, the DI is getting replaced with OPVC, which is a plastic pipe, which is right now, most of the government companies, they have started introducing, and they started replacing the DI, where the cost of that pipe is close to 30% - 40% more cheaper.

And it's very easily -- the services are also very -- so we were discussing on this factor like when you see any changes on the obsolete -- on the product side, it's there, we thought of why to risk our capital. So, it wasn't giving us a great comfort with the new businesses and with the time when we are seeing the product is getting obsolete. So, we thought of keeping this and dropping this project on.

Shaleen Kumar:

Got it, sir. Got it. Sir, this was supposed to be a bit of a forward integration for our pig iron and other intermediate steel. So should we expect something else in replacement of DI pipes.

- Brij Bhushan Agarwal:** Yes, we will be -- we are -- right now -- we have not taken any Board approval on this, but we are evaluating -- like, we have -- already, we have an SMS shop there, which is a Spanish shop, and we are trying to figure out what steel we should do. So, it will be too early for us right now to something which is not mature. But yes, we'll be doing the downstream, which we will be converting the complete iron into a specialty steel.
- Shaleen Kumar:** Okay. Okay. So, there will be something else replacing this project?
- Brij Bhushan Agarwal:** Yes, yes, we'll be doing, yes, yes.
- Shaleen Kumar:** Got it, sir. Got it. If I can ask one or two questions to Deepak ji. Deepak ji, we have the various capex line up in your -- in the presentation. Possible to give ballpark the key capex timeline, like if you can provide us like upcoming -- anything commissioning in Q3, Q4, let's say, some -- any timelines on the FY '27? It will help us just to -- for a modeling's sake.
- Deepak Agarwal:** 100%. The capex, which we have already announced, out of this capex in the current financial year, in the fourth quarter of the current financial year, we will commission our 90 megawatts of power plant, and 0.15 million tonnes of color coated. These are the two capex which will be commissioned in the current financial year.
- And the rest will be commissioning -- when we talk about the financial year '26-27, majorly the aluminum business, what we have already announced like aluminum mill with caster, aluminum flat rolled product, aluminum coil, which will be commissioning in the second quarter of the next financial year. As far as stainless steel is concerned, the stainless steel will be commissioned in the financial year 27-28. And every -- all capex will be commissioned at the end of the financial year 26-27.
- Shaleen Kumar:** Got it, sir. And sir, any thought beyond that, like are we -- like what are our thought process? Because our 5 years' journey of a higher capex plan will be completed by end of FY '27. So, are you forming up any plan beyond that?
- Deepak Agarwal:** Yes, yes. As you're aware of that, we have a prudent capital allocation policy there. So, whatever we are generating cash, out of this cash, 60% - 70%, we will further refinance, reuse in our growth plan. Definitely, the post '27, the kind of substantial cash generation will be there, which will be -- definitely we will announce, we are working.
- Our capex committee is already working. And sir already said that we will be -- very shortly, we will announce our downstream and value-added product, maybe in the next quarter or in the fourth quarter of the current financial year, post '27, the kind of free cash is there in the system.
- Moderator:** The next question is from the line of Shrosh from Vedang Capital.
- Shrosh:** I just wanted to further elaborate on the previous question regarding capex. You've mentioned that by 2026 - 27, all capex will be incurred. By when do you feel we'll be able to start seeing that lead to revenues?

Brij Bhushan Agarwal: Generally, it takes -- once we are -- once we commission the plant, it takes around 6 months to a year time to stabilize the plant to set up the market, qualities and all. So, we will gradually see. Like, the color-coated business, we are already in, we are doing expansion.

So immediately in next 3 to 6 months, we will see the business will be start rolling smoothly. In aluminum also, we are already in the aluminum products, so we don't need to develop the product because it's already developed. So, it will not take much time.

In next 3 to 6 months, we can see that everything is getting ramped up. Where the stainless steel is concerned, the new product, it will take around 6 months to 9 months to come in 60%, 70% stream, yes. So, this is a general ballpark, what generally all these kinds of an industry look like.

Shrosh: My next question is, where do you see our growth for the next 2-3 years, top line and margin, sir?

Brij Bhushan Agarwal: If you see in last 3 – 3.5 years, we had grown pretty decent, from INR6,000 crores top line, to close to INR15,000 crores we did this year. And we expect that we'll be enjoying a double-digit growth close to 15% to 20% on an average for next 2 to 3 years minimum. And since we are going into the downstream value additions and all. So definitely, in time to come, the margins will also definitely -- we expect that close to 200 or 300 basis points, we'll be able to improve it.

Moderator: The next question is from the line of Dhiraj Shah from RJ Investments.

Dhiraj Shah: Yes. I have a couple of questions. Firstly, aluminum foils exports formed almost 24% of the total exports in the first half of '26. So, could you throw some light on current utilization of existing foil capacity?

Brij Bhushan Agarwal: See, the plant is operating at almost 90% plus capacity. And it is operating much better what we expected. And we are making a very specialized foil. So, these are all very special foil, which has a very unique usage. We are supplying to the defense industry and other packing industry, which has a special application.

And this will continue to grow like this because today, the domestic margins are much better. And there is a little penetration on the international market, though the demand is there. And we have a good, decent sales book of close to 5 to 6 months now looking forward. And there's a good penetration of demand on well acceptability of our product. So, we are very confident. I don't see any kind of surprises.

Dhiraj Shah: Understood, sir Understood and also more of a follow-up. So, given 60% of exports come from aluminum business, so any maybe near-term pricing pressures that you may foresee?

Brij Bhushan Agarwal: No, no, not really, not really. Very -- we will be having a better edge because once we commission the aluminum plant next year, so the raw material, what we are using for the foil stock, we'll have our own captive production. So, we'll be increasing the margins on that because we'll be doing our own raw material of foil stock.

And seeing the demand and the richness and the uniqueness of the special product what we are doing, I don't see there is much -- these are all penetrations a little bit on the duty side and all, but I don't think this will last for very long, whether it is helping us to develop more and more new businesses, more new products, more new revenue. And now I can share that it's a very stable business. So, I don't see any kind of surprises or any kind of challenges in the time to come.

Moderator: The next question is from the line of Prachi Cheda from SDA Finance.

Prachi Cheda: I had a few questions lined up. My first question, sir, with new color-coated and parallel flange beam lines coming up, what incremental revenue contribution can we expect in FY '27?

Brij Bhushan Agarwal: See, we expect that from the color business, the flat product, what we are -- the expansions -- after expansion, close to INR4,000 crores, INR4,500 crores will be the total revenue coming out from the flat product businesses, including the color coated and all, close to. I'm not 100%, but yes, 90%, I can tell you.

Prachi Cheda: Got it, sir. Also, have you seen any margin improvement due to higher captive power usage and improved logistics via captive siding? Higher captive power usage is at around 81% right now.

Brij Bhushan Agarwal: Yes. It's improved, no. If you see, the power cost is very stable, and we are not using any kind of a fuel. Most of the fuel what we are using is on the reject side, and its cogeneration. So, it's not really going to impact very largely because we are extremely very, very competitive, and we are not using any fresh coal in our plant. So, it's majorly the rejects and all.

So, the advantage what we get from all these things is on our product side -- other product side. But yes, the cess of INR400, which was charged before, has come down. So, it is also helping us on the cost side. It has given some kind of a comfort. So, I would say, yes, it is positive.

Moderator: The next question is from the line of Rakesh Roy from Boring AMC.

Rakesh Roy: Sir, my first question regarding, sir, can you light on the raw material prices from Q2 versus Q1 and Q3? How is it trending now?

Brij Bhushan Agarwal: I don't see there is much changes in the raw material prices presently. It is almost marginal. So it's not a very -- but the cess impact on the coal has been -- is beneficial. And Deepak, can you elaborate on this with your numbers and all because I'll not be able to share very...

Deepak Agarwal: No, no, correct, sir. The raw material prices have not been corrected from the quarter 1 to quarter 2, which is mostly in line. But in the current quarter, in the third quarter, the coal prices have been going down by 5% to 7%. And iron ore prices are also going down by a little bit. But similarly -- but in the account of specialty alloy, the manganese prices have been corrected by 10% and the ferro chrome prices has also been corrected by 4% to 5%. These are the price -- raw material prices have been corrected from quarter 1 to quarter 2, but not majorly like iron ore fines prices has not been corrected, but we hope that it will be further corrected.

- Rakesh Roy:** Okay. And regarding the pricing, any chance because -- many companies will compensate if they are hoping, or they are expecting the price increase from the November? So are you also looking to increase the price from -- or are you looking to increase the price from November or December?
- Brij Bhushan Agarwal:** So the demand -- after this, we are all waiting for the Bihar election issues to be over because we had been all during the festive season. And if you see all the years, this quarter has been always very low because of the festive season, and this time because of the election. So the demand of the overall industry will go up. And once it -- we start looking everything post-election, so the price will start correcting. Yes, we are all hopeful and optimistic.
- Rakesh Roy:** Okay. So can we hope that H2 is better than H1 in terms of volume and pricing, both?
- Brij Bhushan Agarwal:** At this point of time, it's -- we have to wait for some more time.
- Rakesh Roy:** Okay.
- Deepak Agarwal:** But definitely, if you look into our financials, we will be always in the volume growth. If you look into quarter-on-quarter percent, we are increasing our volume growth. And with the recent commissioning of pig iron in the third quarter, definitely in absolute number, definitely, we will be improving from quarter 1 to quarter 2 in the next quarter 3 and quarter 4.
- Rakesh Roy:** Okay. And sir, last question regarding, sir, SS business -- stainless steel business, sir. Sir, can you light on, sir, government is also just -- they are doing some antidumping duty after talking, sir, because -- can you light on this, sir, regarding SS?
- Brij Bhushan Agarwal:** There are some thought process going on the DI side and some kind of relaxation, but these are very -- the margins in the SS are very good today, the flat product businesses margins and all. And I see today, the demand of the SS is growing very decent. So very difficult at this point of time till everything is clear. But overall, with the country demand and with the present production, I see decent numbers coming up from this business.
- Rakesh Roy:** Right, sir. And sir, how is the demand -- hello?
- Brij Bhushan Agarwal:** Sorry?
- Rakesh Roy:** Sir, how is the demand for your TMT business in Eastern part, especially how is the demand? And how is it looking, this point of view, after?
- Brij Bhushan Agarwal:** Actually, after this -- we are right now in the festive and Bihar election, we expect that it will go up. By end of November, we should start seeing the changes.
- Rakesh Roy:** How much are you looking at? How much growth you're looking compared to...
- Brij Bhushan Agarwal:** See, if the demand is growing -- if the demand is good, it will grow. So we'll be able to -- because we have not expanded the capacity on the TMT. Whatever we are going to produce, we are going to sell it. It's all about the margins, which will increase.

So overall, we know that today because of the -- and for the industry, festive seasons and all these things are always -- some moment where things are not very rapidly growing, but I think now we are done with this, and we will start seeing things changing. So it's -- all the quarter, we have been seeing the same thing.

Rakesh Roy: Right, sir.

Deepak Agarwal: And also, in the quarter 2 in the metal industry, the monsoon season is there. So there will be a disruption in supply chain management. Definitely, the demand will improve in the third quarter, fourth quarter, basically because of the most of the government contracts and everything has been concluded at the end of the financial year. So definitely, the demand from the raw steel will improve in the third quarter and fourth quarter.

Rakesh Roy: And one thing, sir, in Mittal Corp, how much revenue from this quarter from the Mittal Corp? And how much is the utilization?

Deepak Agarwal: The utilization is in the level of 70% to 80%, and we have further revenue...

Rakesh Roy: And how much...

Deepak Agarwal: We are selling -- stainless steel we are selling only 20,000 quarterly basis -- 20,000 tonnes of stainless we are selling.

Rakesh Roy: Okay. In terms of revenue, total revenue come from the Mittal Corp this Q2?

Deepak Agarwal: INR600 crores.

Rakesh Roy: INR600 crores. And for full year, how much you guided, sir, for FY '26 for Mittal Corp?

Deepak Agarwal: It's around, you can say INR2,000 crores. We will be targeting to achieve INR1,500 crores to INR2,000 crores.

Moderator: The next question is from the line of Pathanjali Srinivasan from Sundaram Mutual Fund.

Pathanjali Srinivasan: I have a couple of questions. So firstly, this captive plant that -- power plant that we have shown in our presentation, I think we're doing around 100 megawatts at around INR350-odd crores. The cost seems very less. Could you explain a bit about what configuration or what type of plant this would be?

Brij Bhushan Agarwal: We are -- if you see the history, in the past, whatever plant we have commissioned, we have been extremely very capital effective. So, this is very well taken. I appreciate your point. And if you see the PLF of our power factor is always 90% plus. So generally, it's all brownfield project, and we take the technology from the best of the boiler manufacturer, be it Thyssenkrupp or Thermax and all. And so being in the steel business and a strong engineering foothold, we work together, and we make sure that we should be at least 15% - 20% more capital effective. And all our turbines are from BHEL and Siemens.

Pathanjali Srinivasan: Yes.

- Brij Bhushan Agarwal:** We are better, yes.
- Pathanjali Srinivasan:** Yes. No, you feel substantially better, which is why I just wanted to figure out. We are doing something very different than what industry does.
- Brij Bhushan Agarwal:** Thank you. I appreciate.
- Pathanjali Srinivasan:** And just one more question. This quarter, our production in terms of sponge iron was a bit lower. Did we take any -- or not production, maybe sales, did we take any maintenance or anything, sir, this quarter?
- Brij Bhushan Agarwal:** These are regular things; very small marginal changes are there. So we generally have some maintenance, or when you do a power plant shutdown, some maintenance comes, you have to - - so these are all -- after 2-3 years, each and every plant has to be taken a long shutdown. Sometimes we have to take annual shutdowns.
- Pathanjali Srinivasan:** Okay. So it's just a routine seasonal thing. There's nothing -- there's no other reason.
- Deepak Agarwal:** No, I don't think there is any changes in our production of sponge iron from the quarter 1 to quarter 2. The sales volume is definitely going down because we sell more pellet -- iron pellet because our realization is more on iron pellet, that's why we sell more iron pellet.
- Pathanjali Srinivasan:** Got it, sir. Yes. That's what I wanted to figure out. Like there seems to be some bit of a decline, but it's not visible at a revenue level, that's why I just wanted to figure out. Got it, sir.
- Deepak Agarwal:** That is the only reason. Because the realization is more on iron pellet, that's why we sell more iron pellet. We are not converting iron pellet into...
- Moderator:** As there are no further questions from the participants, I now hand the conference over to Mr. Sumeet Khaitan from MUFG Intime for closing comments. Over to you, sir.
- Sumeet Khaitan:** Thank you, everyone, for joining in the call today. I hope the management was able to answer all your queries today. I also want to thank the management for sparing the time and joining the call today. We are MUFG Intime, Investor Relations Advisors to Shyam Metalics and Energy Limited. For any queries, please feel free to reach out to us. Thank you, everyone.
- Deepak Agarwal:** Thank you, everyone.
- Moderator:** On behalf of Shyam Metalics and Energy Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.
- Brij Bhushan Agarwal:** Thank you.