



Shyam Metals and Energy Limited (SMEL)

Shyam Metals announces fresh round of INR 990 crores capital expenditure plans: to add capacity & ramp up production

Investor Release

Kolkata, West Bengal, 15th March 2022; Shyam Metals and Energy Limited (SMEL), a leading integrated metal producing company based in India with a focus on long steel products and ferro alloys, announced new capital expenditure plans aggregating Rs. 990 crores, proposing to further expand the capacity by 2.85 MTPA as it enters Financial Year 2022-23. This capital expenditure will be over and above the ongoing capital expenditure expansion of ~ Rs. 3,000 Crores.

In the Financial Year 2021-22, the company recorded stellar listing of its equity shares on the stock exchanges. As outlined during the IPO, the company had laid out expansion plans with a budgeted capex of ~ Rs. 3,000 Crores through internal accrual, spread across four years. As of 9 months ended 31st December, the company has utilised Rs. 1,363 Crores from the budgeted amount and made significant progress in enhancing its capacities. The present status and proposed capacities are as follows:

Particulars	Unit	Aggregate Capacity at the Launch of IPO	Capacities Proposed in the IPO	Already Implemented	Aggregate implemented Capacities	Further to be Implemented as per existing Expansion	Post Implementation	Further Expansion as approved on 15 th March 2022	Final Proposed Enhanced Capacities
Captive Power Plant	MW	227	130	40	267	90	357	-	357
Iron Pellet Plant	MTPA	2.4	1.2	1.2	3.6	-	3.6	2.4	6
Sponge Iron plant	MTPA	1.39	1.51	0.72	2.11	0.79	2.9	-	2.9
Billet Plant	MTPA	0.89	1.11	0.05	0.94	1.06	2.01	-	2.01
TMT, Structural Products, Wire Rods And Pipes	MTPA	0.82	1.25	0.08	0.9	1.17	2.07	-	2.07
Ferro Alloy Plant	MTPA	0.2	0.01	-	0.21	0.01	0.22	-	0.22
Blast Furnace	MTPA	-	0.6	-	-	0.6	0.6	-	0.6
Ductile Pipe Plant	MTPA	-	0.2	-	-	0.2	0.2	-	0.2
Coke Oven Plant	MTPA	-	-	-	-	-	-	0.45	0.45
Total	MTPA	5.71	5.89	2.05	7.76	3.84	11.6		14.45



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Apart from the above the Aluminium Foil making plant of 40,000 Tonnes per annum has also been commissioned.

The company is enthused about its business plans to scale up operations. It will prioritize near-term capital spending on expanding asset base with increased capacity to boost future potential. Following are the key highlights:

- The projects shall be set up as brownfield expansion in existing land available at respective plants.
- Based on the increased production capacities and the impending expansion, the Captive Railway Sidings will see addition of 2 incremental lines at both Jamuria and Sambalpur which shall double the rake handling capacities.
- The new project expansion entails an increase of 25% over the 11.6 MTPA aggregate (including intermediates and pellet) capacity post expansions suggested in the IPO. The increased aggregate capacity post current announcement will be 14.5 MTPA. The new projects will be aligned with our Sustainability goals as the company continues to focus on its environmental footprint.
- The budgeted incremental capex will be approx. INR 990 Crores, which will be funded completely through internal accruals.

Commenting on the developments, Mr Brij Bhushan Agarwal, Managing Director said, “We are proud to announce successful completion of projects announced during IPO. We recently announced second interim dividend. Aiming to scale new heights, we are also making in-roads in brand development. A marketing initiative with Mr Salman Khan as our brand ambassador was launched recently. We continue to witness tremendous demand for our products. We are excited to take further steps to expand our business and are committing fresh capex to grow our operations significantly in the years to come. These strategic initiatives with continued emphasis on increasing our asset base with prudent financial practices are aimed at generating incremental cash flow and strengthening our balance sheet. Our relentless efforts are aimed at generating value for our stakeholders and thank them for their continued support & trust in the company. “



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About Shyam Metals And Energy Limited (SMEL)

SMEL is a leading integrated metal producing company based in India with a focus on long steel products and ferro alloys. We are amongst the largest producers of ferro alloys, one of the leading players in terms of pellet capacity and the fourth largest player in the sponge iron industry in terms of sponge iron capacity in India.

We have a diversified product mix which enables us to sell both intermediates and final products across the steel value chain. The Company has a consistent track record of delivering profitability since the commencement of our operations in Fiscal 2005.

SMEL has a rating of CRISIL AA- (Positive) for Long Term Bank Facilities, CRISIL A1+ (Positive) for Short Term Bank Facilities. SMEL is one of the least leveraged Steel Company in India.

Safe Harbor Statement

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Contact Details

Company: Shyam Metals and Energy Limited	Investor Relations: Orient Capital
Mr. Pankaj Harlalka	Mr. Nachiket Kale
pankaj.harlalka@shyammetals.com	nachiket.kale@linkintime.co.in
CIN : U40101WB2002PLC095491	Tel : +91 9920940808
www.shyammetals.com	www.orientcap.com