



# Shyam Metals and Energy Limited (SMEL)

## **Shyam Metals announces 40 MW additional captive power generation, and 0.25 MTPA capacity expansion in steel products**

### Investor Release

**Kolkata, West Bengal, 27<sup>th</sup> December 2021;** 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 another strategic capacity expansion as outlined in the capex plans for Financial Year 2021-22.

We are pleased to announce that the Company has received “**Consent to Operate**” (CTO) from State Pollution Control Board, Odisha to increase captive power generation at its Sambalpur unit. Following the clearances, the capacity at the unit will increase from 118 MW to 158 MW. Across its units at Sambalpur, Jamuria & Mangalpur, the aggregate capacity will grow from 227 MW to 267 MW representing a 17.6% increase. The incremental capacity is now operational.

In addition, the company has also received CTO from West Bengal Pollution Control Board for the scheduled capacity expansion at Jamuria plant. This expansion will add 0.25 million tons per annum of incremental capacity across steel products. The aggregate capacities of Sponge Iron, MS Billet & Long Products are slated to increase by 7%, 6% & 10% respectively.

Commenting on the developments, Mr Bhushan Agarwal, Managing Director said, “Following the recent sponge iron capacity expansion at our Sambalpur & Jamuria plants, we are happy to further announce increased captive power generation. As we expand production, our power demand increases in sync, hence increased captive power gives us a strategic cost advantage. We have the lowest cost of captive power in India and almost 80% of our power consumption is met via captive generation. We incurred a capital expenditure of Rs 110 crores for addition of the 40 MW capacity, a testimony to our focus on keeping costs in control. It gives us immense pride to share that the project came online much before its projected timeline of May 2022. As outlined in our expansion plan for the year, the expansion at Jamuria plant will also enable us to meet the increasing demand for our products. Our operational excellence in producing high value long product structural steel in a cost effective manner will continue to give us an edge.”

### **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



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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.

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