Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
***Serial Number:* [●]**

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document. The information in this Preliminary Placement Document is not complete and may be changed.

SHYAM METALICS AND ENERGY LIMITED

Shyam Metalics and Energy Limited ("**Company**") was originally incorporated as Shyam DRI Power Limited on December 10, 2002 at Kolkata, West Bengal, India as a public limited company under the Companies Act, 1956 and received the certificate for commencement of business from the Registrar of Companies, West Bengal at Kolkata ("**RoC**") on December 11, 2002. Subsequently, the name of our Company was changed to Shyam Metalics and Energy Limited *vide* a special resolution passed by our Shareholders on November 23, 2009, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 5, 2010. For further details, please see the section entitled "*General Information*" beginning on page 285.

Registered Office: Trinity Tower, 7th Floor, 83, Topsia Road, Kolkata – 700046, West Bengal, India **|** **Corporate Office:** Viswakarma Building, 86C Topsia Road, 1st floor, Kolkata – 700046, West Bengal, India **|** **Telephone**: +91 33 4016 4001 **|** **Contact Person:** Birendra Kumar Jain, Company Secretary and Compliance Officer **|** **Email**: compliance@shyamgroup.com **|** **Website**: www.shyammetalics.com
CIN: L40101WB2002PLC095491

The Company is issuing up to [●] equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share ("**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] crore (the "**Issue**"). For further details, see section entitled "*Summary of the Issue*" beginning on page 31.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT").

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND SECTION 42 OF THE COMPANIES ACT, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER AND THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBSs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, AS AMENDED THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION ENTITLED "*RISK FACTORS*" BEGINNING ON PAGE 43 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on January 1, 2024, was ₹ 641.90 and ₹ 641.90 per Equity Share, respectively. Our Company has received the in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to this Issue, from BSE and NSE, each on January 2, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of this Preliminary Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges. A copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make requisite filings with the RoC (as defined above), within the stipulated timeframe prescribed under the Companies Act (as defined above) and the PAS Rules (as defined above), as amended. This Preliminary Placement Document has not been reviewed by Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and this Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see section entitled "*Issue Procedure*" beginning on page 234. This Preliminary Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of this Preliminary Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in this Issue have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in "*offshore transactions*" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. See sections entitled *"Selling Restrictions"* beginning on page 250 for information about eligible offerees for this Issue and *"Purchaser Representations and Transfer Restrictions"* beginning on page 260 for information about transfer restrictions that apply to the Equity Shares sold in this Issue.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the Book Running Lead Manager (as defined hereinafter) or any of its respective affiliates does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Preliminary Placement Document is dated January 2, 2024.

BOOK RUNNING LEAD MANAGER
ICICI Securities Limited

TABLE OF CONTENTS

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiaries and the Equity Shares, which is material in the context of this Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company and our Subsidiaries. There are no other facts in relation to our Company, our Subsidiaries and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company, our Subsidiaries nor the BRLM have any obligation to update such information to a later date.

ICICI Securities Limited (the "**Book Running Lead Manager**", or the "**BRLM**"**)** have made reasonable enquiries but has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries and the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on either the BRLM or on any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, and the merits and risks involved in investing in the Equity Shares issued pursuant to this Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the BRLM. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including SEBI, the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in this Issue are being offered and sold only outside the United States in *"offshore transactions"*, as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, subscribers and purchasers of the Equity Shares will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections entitled "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 6, 250, and 260, respectively, of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLM or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and this Issue of Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the BRLM that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in this Issue in certain jurisdictions, see sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 250 and 260, respectively.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiaries and the Equity Shares and the terms of this Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Company nor the BRLM are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares. Each investor, purchaser, offeree or subscriber of the Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. This Preliminary Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents. Further, this Preliminary Placement Document has been prepared for information purposes in relation to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

This Preliminary Placement Document contains summaries of terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section entitled *"Risk Factors"* beginning on page 43.

The information on our Company's website, www.shyammetalics.com, or any website directly or indirectly linked to the website of our Company or on the website of the BRLM or any of its affiliates, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Our Company and the BRLM are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of the Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

Any information about our Company available on the websites of the SEBI, Stock Exchanges, our Company or the BRLM, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the prospective investors in this Issue. By bidding for and/or subscribing to any of the Equity Shares in this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections entitled "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 3, 250 and 260, respectively, and to have represented, warranted, acknowledged and agreed with us and the BRLM as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to this Issue has not been made based on any information relating to our Company which is not set forth in this Preliminary Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with this Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable laws, including the RBI and FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- You are eligible to invest in and hold the Equity Shares of our Company in accordance with the consolidated FDI Policy (as defined hereinafter), and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not registered as an FVCI;

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of this Issue;

- If you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are within certain other jurisdictions), please see the section entitled "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions* beginning on pages 3, 250 and 260 respectively;

- You are aware that this Preliminary Placement Document and the Placement Document will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any member of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLM. The BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not, in any way, acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and this Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to this Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to this Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable laws, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act and the rules made thereunder;

- You understand that the Equity Shares issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical facts included in this Preliminary Placement Document, including, without limitation, those regarding us or our financial position, business strategy, development plans and objectives of management for future operations of our business, are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company, the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that if you are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, the section entitled "*Risk Factors*" beginning on page 43;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of this Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of this Issue, based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in this Issue;

- Neither our Company nor the BRLM nor any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares);

- You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the BRLM or any of its respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and you are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' of our Company as defined under the SEBI ICDR Regulations, and are not a person related to our Promoter, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender but not in the capacity of a shareholder, the acquisition of which shall not deem you to be a Promoter or a person related to any of our Promoters;

- You agree in terms of Section 42(7) of the Companies Act and Rule 14 of the PAS Rules, that our Company shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchange;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to this Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLM nor any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLM have entered into a Placement Agreement with our Company whereby the BRLM have, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the BRLM nor any person acting on its behalf or any of the counsel or advisors to this Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person, and the BRLM or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLM and its respective affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in the section entitled "*Selling Restrictions*" beginning on page 250, you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in the section entitled "*Purchaser Representations and Transfer Restrictions*" beginning on page 260, and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 250 and 260, respectively;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

- You are outside the United States, and you are subscribing for the Equity Shares in an "*offshore transaction*" as defined in, and in reliance on, Regulation S, and are not our Company's or the BRLM affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Kolkata, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue;

- You agree to indemnify and hold our Company and the BRLM and its respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through this Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLM;

- You represent that you are not an affiliate of our Company or the BRLM or a person acting on behalf of such affiliate; and

- Our Company, the BRLM, its respective affiliates, associates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLM.

OFF-SHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLM, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs, and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, custodians, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in this Issue and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Prospective Investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Preliminary Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

2. warrant that our Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER DATA

Certain conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to this Issue, references to the "our Company", the "Company" or the "Issuer" are to Shyam Metalics and Energy Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Shyam Metalics and Energy Limited together with our Subsidiaries, on a consolidated basis, unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, and States of the United States and the District of Columbia. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Figures in this Preliminary Placement Document have been presented in crores or in whole numbers where the numbers have been too small to present in crores unless stated otherwise. Further, certain figures in the section entitled "*Industry Overview*" of this Preliminary Placement Document have been presented in USD millions.

In this Preliminary Placement Document, references to "crore(s)" represents "1,00,00,000", "million" represents "0.1 crore" or "1,000,000", "lakh(s)" represents "1,00,000" or "0.1 million" and "billion" represents "1,000,000,000" or "1,000 million" or "100 crore".

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial data and other information

The Financial Year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year', 'fiscal' or 'FY' are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Company has published its Audited Consolidated Financial Statements for Fiscal 2023, Fiscal 2022 and Fiscal 2021 and the Unaudited Consolidated Financial Results as at and for the six months ended September 30, 2023 in Indian Rupees in crore and have been presented in this Preliminary Placement Document in crores for presentation purposes. As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document:

- audited consolidated financial statements of our Company and its subsidiaries, its associates and its joint ventures as at and for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with the Indian Accounting Standard (referred to as "**Ind AS**"), as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and other relevant provisions of the Companies Act (collectively, the "**Audited Consolidated Financial Statements**"); and

- unaudited limited review consolidated financial results of our Company and its subsidiaries, its associates and its joint ventures, as at and for the six months ended September 30, 2023 prepared in accordance with the principles laid down in Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India (the "**Unaudited Consolidated Financial Results**").

The Audited Financial Statements should be read along with the respective audit reports. For details, please see the sections entitled "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 287 and 91, respectively.

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 is derived from the Audited Consolidated Financial Statements and as at and for the six months ended September 30, 2023 is derived from Unaudited Consolidated Financial Results.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Audited Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Financial Statements and Audited Standalone Financial Statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices, Ind AS, Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Please see the section entitled "*Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document*" on page 70.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBIT, EBIT Margin, EBITDA, EBITDA Margin, PAT Margin, Gross Profit, Gross Margin, Net Worth, Capital Employed, Return on Net Worth, Net Working Capital, Net Debt/Equity Ratio and Net Debt/EBITDA Ratio (together referred as "**Non-GAAP Measures**") presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, professional organisations and analysts on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained or derived from the report titled "*Market assessment and outlook across Steel industry value chain*" dated August, 2023 ("**CRISIL Report**"), which is a report commissioned and paid for by us and prepared by CRISIL Limited. Further, CRISIL Limited has issued the following disclaimer in the CRISIL Report:

"*CRISIL Market Intelligence & Analytics, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Shyam Metalics and Energy Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Market Intelligence & Analytics operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Market Intelligence & Analytics and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the BRLM have independently verified this market and industry data, nor do we or the BRLM make any representation regarding the accuracy or completeness of such data. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/or financial information/ ratios specified in the sections entitled "*Our Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CRISIL Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section entitled "*Risk Factors*" beginning on page 43.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "contemplate", "continue", "could", "estimate", "expect", "future", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "seek to", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- The steel industry is characterized by volatility in the prices of raw materials and energy which could adversely affect our profitability.

- Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials such as iron ore, iron ore fines, coal, chrome ore and manganese ore may have an adverse impact on our ability to continue our manufacturing process without interruption and our ability to manufacture and deliver the products to our customers without any delay. Further, restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations.

- Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations.

- The unexpected loss, shutdown or slowdown of operations at any of our manufacturing plants could have a material adverse effect on our results of operations and financial condition.

- The demand and pricing in the steel industry is volatile and are sensitive to the cyclical nature of the industries it serves. A decrease in steel prices may have a material adverse effect on our business, results of operations, prospects and financial condition.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in the sections entitled "*Risk Factors*", "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 43, 187, 122 and 91, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, our Directors, the BRLM nor any of its affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Except as disclosed in the section entitled "*Board of Directors and Senior Management*" beginning on page 217, most of our Directors, Key Managerial Personnel and Senior Management Personnel named in this Preliminary Placement Document, are residents of India and a large portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;
2. where the judgment has not been given on the merits of the case;
3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
4. where the proceedings in which the judgment was obtained were opposed to natural justice;
5. where the judgment has been obtained by fraud; and
6. where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Indian Rupees and the foreign currencies will affect the foreign currency equivalent to the Indian Rupees price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Indian Rupees and the U.S. dollar (in ₹ per US $), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI and Financial Benchmarks India Private Limited (the "**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Indian Rupees amounts, could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

*(₹ per US$)**

	Period End (1)	Average (2)	High (3)	Low (4)
Fiscal ended^:				
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.20	76.81	72.29
Month ended^:				
December 31, 2023	83.12	83.28	83.40	83.02
November 30, 2023	83.37	83.29	83.37	83.13
October 31, 2023	83.27	83.23	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66
August 31, 2023	82.68	82.79	83.13	82.28
July 31, 2023	82.25	82.15	82.68	81.81

Source: www.rbi.org.in and www.fbil.org.in

Notes:

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly period.

(2) Represents the average of the official rate for each working day of the relevant period.

(3) Maximum of the official rate for each working day of the relevant period.

(4) Minimum of the official rate for each working day of the relevant period.

**Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places.*

^If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the SEBI Act, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections entitled "*Industry Overview*", "*Statement of Possible Special Tax Benefits*", "*Legal Proceedings*" and "*Financial Statements*" beginning on pages 122, 269, 277 and 287, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Our Company/ the Company/ the Issuer/ Shyam Metalics and Energy Limited/ SMEL	Shyam Metalics and Energy Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Trinity Tower, 7th Floor, 83, Topsia Road, Kolkata – 700 046, West Bengal, India
the Group/ us/ we/ our	Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries, Joint Ventures and Associate Companies, on a consolidated basis

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended from time to time
Associate Companies/ Associates	Associate companies of our Company, namely: (i) Meghana Vyapaar Private Limited; and (ii) Kolhan Complex Private Limited
Audit Committee	The audit committee of our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" beginning on page 217
Audited Consolidated Financial Statements	Collectively, the audited consolidated financial statements of our Company, its Subsidiaries, its Associates and its Joint Ventures as of and for the years ended March 31, 2023, 2022 and 2021 which have been prepared in accordance with the Ind AS, as specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the consolidated balance sheet, consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the years then ended, and notes to the respective consolidated financial statements
Auditors/ Statutory Auditors	Statutory auditors of our Company, namely, MSKA & Associates, Chartered Accountants
Board of Directors/ Board	Board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof
Chairperson	The Chairperson of our Board, being Mahabir Prasad Agarwal
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, being Birendra Kumar Jain
Corporate Office	Corporate office of our Company located at "Viswakarma Building", 86C Topsia Road, 1st floor, Kolkata – 700046, West Bengal, India
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" beginning on page 217
CRISIL	CRISIL Limited

Term	Description
CRISIL Report	Report titled "*Market assessment and outlook across Steel industry value chain*" dated August 2023 issued by CRISIL
Director(s)	Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	The equity shares of our Company of face value ₹ 10 each
Executive Director	Executive directors of our Company. For details, see the section entitled "*Board of Directors and Senior Management*" beginning on page 217
Independent Director(s)	The non-executive independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in the section entitled "*Board of Directors and Senior Management*" beginning on page 217
Joint Ventures	Joint ventures of our Company, namely: i. Kalinga Energy & Power Limited; and ii. MJSJ Coal Limited
Key Managerial Personnel/ KMP(s)	Key managerial personnel of our Company, in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in the section entitled "*Board of Directors and Senior Management*" beginning on page 217
Material Subsidiary / SSPL	Shyam SEL and Power Limited
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" beginning on page 217
Non-Executive Director	Non-Executive Directors of our Company. For details, see the section entitled "*Board of Directors and Senior Management*" beginning on page 217
Non-Executive Non-Independent Director	Non-Executive Non-Independent Directors of our Company. For details, see the section entitled "*Board of Directors and Senior Management*" beginning on page 217
Promoter Group	The members of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Promoters	Promoters of our Company namely, Mahabir Prasad Agarwal, Brij Bhushan Agarwal, Sanjay Kumar Agarwal, Subham Capital Private Limited, Subham Buildwell Private Limited, Narantak Dealcomm Limited, Kalpataru Housefin & Trading Private Limited, Dorite Tracon Private Limited and Toplight Mercantiles Private Limited
Registered Office	Registered office of our Company located at Trinity Tower, 7th Floor, 83, Topsia Road, Kolkata – 700046, West Bengal, India
Risk Management Committee	The risk management committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" beginning on page 217
RoC/ Registrar of Companies	Registrar of Companies, West Bengal at Kolkata
Senior Management Personnel/ SMP(s)	Senior management personnel of our Company, in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as disclosed in the section entitled "*Board of Directors and Senior Management*" beginning on page 217
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
SMEL Employees Stock Incentive Plan, 2023	SMEL Employees Stock Incentive Plan, 2023 sub-divided into SMEL Performance ESOP Scheme (ESOP 2023) and SMEL Loyalty ESOP Scheme (ESOP II – 2023)
Subsidiaries	Subsidiaries of our Company, namely: (i) Meadow Housing Private Limited; (ii) Nirjhar Commodities Private Limited; (iii) Platinum Minmet Private Limited; (iv) Ramsarup Industries Limited; (v) S. S. Natural Resources Private Limited; (vi) Shree Sikhar Iron & Steel Private Limited; (vii) Shree Venkateshwara Electrocast Private Limited; (viii) Shyam Energy Limited; (ix) Shyam Metalics Flat Product Private Limited; (x) Shyam Metalics International DMCC (xi) Shyam SEL and Power Limited; (xii) Taurus Estates Private Limited; and (xiii) Whispering Developers Private Limited;
Stakeholders' Relationship Committee	The stakeholders' relationship committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" beginning on page 217

Term	Description
Unaudited Consolidated Financial Results	Unaudited consolidated limited review financial results of our Company, its Subsidiaries, its Associates and its Joint Ventures as at and for the six months ended September 30, 2023, prepared in accordance with the principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time, read with relevant rules issued thereunder and other accounting principles generally accepted in India, as amended, and other relevant provisions of the Companies Act comprising the consolidated Statement of Profit and Loss for the six months ended September 30, 2023

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VI of the SEBI ICDR Regulations
Allotment/ Allotted/ Allot	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Eligible QIB(s) to whom Equity Shares are issued and allotted pursuant to this Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to this Issue
Bid(s)	An indication of interest by a Bidder, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term “Bidding” shall be construed accordingly
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in this Issue on submission of the Application Form
Bidder(s)	An Eligible QIB who has a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids including any revision and/or modifications thereof
BRLM/ Book Running Lead Manager	ICICI Securities Limited
CAN/ Confirmation of Allocation Note	Note or advice or intimation to Eligible QIBs confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about [●], 2024
Designated Date	The date of credit of Equity Shares pursuant to this Issue to the Allottee’s demat account, as applicable to the relevant Allottee
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs that are eligible to participate in this Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in this Issue under applicable law In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in “*offshore transactions*”, as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.
Escrow Account	The account titled “*SHYAM METALICS AND ENERGY LIMITED – QIP ESCROW ACCOUNT*” to be opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to this Issue shall be deposited and from which refunds, if any, shall be remitted, as set out in the Application Form
Escrow Bank/ Escrow Agent	ICICI Bank Limited
Escrow Agreement	The agreement dated January 2, 2024 entered into amongst our Company, the Escrow Agent and the BRLM for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price ₹ 597.63 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

Term	Description
	Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed at the annual general meeting held on September 21, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue	The issue and allotment of up to [●] Equity Shares each at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] crore pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●] the last date up to which the Application Forms shall be accepted by our Company (or the BRLM, on behalf of our Company)
Issue Document	Collectively, the Preliminary Placement Document and the Placement Document
Issue Opening Date	January 2, 2024, the date on which the acceptance of the Application Forms shall have commenced by our Company (or the BRLM, on behalf of our Company)
Issue Price	₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share
Issue Size	₹ [●] crore.
Monitoring Agency	India Ratings and Research Private Limited
Monitoring Agency Agreement	The agreement dated January 2, 2024 entered into between our Company and the Monitoring Agency
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in this Issue, which is available for Allocation to Mutual Funds
Pay-In Date	Last date specified in the Application Form for the payment of application monies by Bidders in this Issue
Placement Agreement	The agreement dated January 2, 2024 between our Company and the BRLM
Placement Document	The placement document dated [●], 2024 to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document dated January 2, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to this Issue
Relevant Date	January 2, 2024 which is the date of the meeting wherein the Board of Directors, or a duly authorised committee thereof, decided to open this Issue
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares in this Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or trading day of stock exchanges as applicable

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number

Term	Description
CY	Calendar Year
Civil Code	The Indian Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EGM	Extraordinary General Meeting
ESG	Environment, Social and Governance
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
Financial Year/ Fiscal Year/ Fiscal/ FY	A period of 12 months starting April 1 and ending March 31, unless otherwise stated
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GDP	Gross Domestic Product
GoI/ Government	Government of India
GST	Goods and Services Tax
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income-tax Act, 1961
Ltd.	Limited
MCA	Ministry of Corporate Affairs
NCLT	National Company Law Tribunal
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent account number
PAS Rules	Companies (Prospectus and Allotment) Rules, 2014
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
Revenue	Revenue from operations is net of Goods and Service Tax as applicable.
Rs/Rupees/Indian Rupees	The legal currency of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957

Term	Description
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
USA/ U.S./ United States	The United States of America, its territories and possessions, and States of the United States and the District of Columbia
Video Conferencing / Other Audio-Visual Means facility or VC / OAVM facility	Audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter or Fraudulent Borrower	A person who or which is categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution (as defined under Companies Act) or consortium thereof in accordance with guidelines on wilful defaulters or fraudulent borrowers issued by RBI, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations

Technical, Industry and Other Terms

Term	Description
Average cost of Power from Captive Power Plant	Average cost of Power from Captive Power Plant = $\frac{\text{Total cost of power from all Captive Power Plants}}{\text{Total production units}}$
EBITDA	EBITDA = Profit/(loss) before tax + finance costs + depreciation and amortization expense – other non-operating income
FSA	Fuel Supply Agreements
Gross Debt to EBITDA	Gross Debt to EBITDA = $\frac{\text{Gross Debt}}{\text{EBITDA}}$ Gross Debt = long term borrowings + short term borrowings + current maturities of long term borrowing
Gross Debt to Equity	Gross Debt to Equity = $\frac{\text{Gross Debt}}{\text{Total Equity}}$ Gross Debt = long term borrowings + short term borrowings + current maturities of long term borrowings Total Equity = Equity Share capital + other equity
Interest Coverage	Interest coverage = Operating EBIT/Finance cost EBIT = Profit/(loss) before tax + interest – Other Income
Kwh	Kilowatt hour
MTPA	Million tonnes per annum
MVA	Mega Volt Ampere
MW	Mega watt
RoCE	RoCE (Return on Capital Employed) = $\frac{\text{Operating EBIT}}{\text{Total capital employed}}$ Operating EBIT = Profit/(loss) before tax + interest cost – Other Income Total capital employed = Total assets – current liabilities* *Current maturities on long term debt has been excluded from current liabilities
TMT	Thermo mechanically treated
TPA	Tonnes per annum

Term	Description
TPD	Tonnes per day
TPH	Tonne per heat

SUMMARY OF BUSINESS

Overview

We are a leading integrated steel and ferro alloys producer, in terms of long steel products, in the eastern region of India (*Source: CRISIL Report*). We are amongst the largest producers of ferro alloys in terms of installed capacity in India, as of February 2023 (*Source: CRISIL Report*). We have the ability to sell intermediate and final products across the steel value chain. We are one of the leading players in terms of pellets as of Fiscal 2023 and we are the fourth largest player in the sponge iron industry in terms of sponge iron capacity in India for Fiscal 2023 (*Source: CRISIL Report*). We are also one of the largest manufacturers of aluminium foils with an installed capacity of 43,600 tonnes (*Source: CRISIL Report*). We have a consistent track record of delivering operating profitability, and since the commencement of our operations in Fiscal 2005, we have delivered a positive EBITDA in each of the Fiscals.

We currently operate three steel manufacturing plants located at Sambalpur in Odisha, and Jamuria and Mangalpur in West Bengal. We also operate two aluminium foil manufacturing plants that are located at Pakuria in West Bengal and Giridih in Jharkhand. We also have two stainless steel plants located at Pithampur in Madhya Pradesh. As of November 30, 2023, our aggregate installed metal capacity was 13.51 million tonne per annum ("**MTPA**") (comprising intermediate and final products). Our manufacturing plants also include captive power plants with an aggregate installed capacity of 357 MW, as of November 30, 2023.

We are also in the process of (i) increasing the capacities of our existing manufacturing plants; (ii) commissioning new manufacturing plants, which are proposed to be situated at Kharagpur and Durgapur in West Bengal and (iii) increase the capacities of our captive power plants, which is expected to increase our aggregate installed metal capacity (comprising intermediate and final products) from 13.51 MTPA, as of November 30, 2023 to 20.92 MTPA and captive power plants aggregate installed capacity from 357 MW, as of November 30, 2023, to 597 MW. These proposed expansions are expected to become operational between Fiscal 2024 and Fiscal 2026.

Our Sambalpur and Jamuria plants operate as 'ore to metal' integrated steel manufacturing plants and comprise captive railway sidings, captive power plants, iron pellet, sponge iron, billet, thermo mechanically treated ("**TMT**"), wire rod and structural mills, and ferro alloy plants. Our integrated manufacturing plants are fungible by design, which provides us with the ability to quickly adapt to continuously evolving market conditions, change our production and product offerings and optimise our operating margins thereby insulating us from price volatility. Further, our Mangalpur plant comprises sponge iron and ferro alloy plants, and a captive power plant. Our aluminium foil manufacturing plants have a 40 to 5 micron rolling range with annealing capability, customisable as per demand, where we majorly produce 6-10 micron rolled material. With our acquisition of Shree Venkateshwara Electrocast Private Limited, we are able to produce wide range of products in the pharmaceutical space, house foil space, SRC containers space and other items in packaging industry. With our recent acquisition of Mittal Corp Limited, which included two Stainless Steel manufacturing units at Pithampur, Madhya Pradesh, we have ventured into wide range of products in the stainless steel sector like Billets, SS Bar, Wire rods etc.

We have ten captive power plants that utilise non-fossil fuels, such as, waste, rejects, heat and gas, generated from our operations to produce electricity, and thereby enable us to operate at lower power costs. In Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023, power units produced from our captive power plants accounted for 78.68%, 78.47%, 73.00% and 79.63%, respectively, of our total power units consumed. We believe that the proposed expansion plans of our captive power plants will help us to meet our increased requirement of power and enable us to become more self-sufficient.

We primarily produce intermediate and long steel products, such as, iron pellets, sponge iron, steel billets, TMT, structural products, wire rods, and ferro alloys products with a specific focus on high margin products, such as, customised billets and specialised ferro alloys for special steel applications. Our TMT and structural products are sold under the brand '*SEL*' and logo . We also undertake conversion of hot rolled coils to pipes, chrome ore to ferro chrome and manganese ore to silico manganese for an Indian steel conglomerate. We also manufacture aluminium foils with rolling range of 40 to 5 micron and have forayed into stainless steel through our acquisition of Mittal Corp Limited. We are also currently in the process of further diversifying our product portfolio by entering into the segments, such as, pig iron, ductile iron pipes, cold rolling mill, parallel flange beam, colour coated sheets, hot flats products, battery foils and steel wire drawings.

Our Sambalpur manufacturing plant caters to customers in the southern and western regions of India whereas our Jamuria and Mangalpur manufacturing plants caters to customers in northern and eastern regions of India. Further, our two aluminium manufacturing plants located in Pakuria, West Bengal and Giridih, Jharkhand cater to our domestic customers located pan-India as well as our international customers located in Europe, USA and Bangladesh. We also supply stainless steel across the country.

Our product offerings cater to a mix of customers that consist of institutional customers and end-use consumers through our wide distribution network. As of November 30, 2023, we had partnerships with 1,837 dealers and distributors, who stock and sell our finished products across 28 states and two union territories.

Our steel manufacturing plants are strategically located in close proximity to the mineral belt in eastern India, including, iron ore, iron ore fines, manganese ore, chrome ore and coal mines, our primary raw material sources and ports, which we believe lowers our transportation costs and provides significant logistics management and cost benefits. Our manufacturing plants are well connected by roads, railways and ports. Our Sambalpur and Jamuria manufacturing plants have captive railways sidings which enable us to transport the raw materials and products in a cost and time effective manner. We are one of the few integrated metal producing companies in India with captive railway sidings (*Source: CRISIL Report*). We follow stringent quality standards and place a strong emphasis on quality for our products. Our Sambalpur, Jamuria and Giridih manufacturing plants have obtained the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 quality certifications. In addition, our Giridih manufacturing plant has also obtained ISO 22000:2018 quality certification. Unit II of our manufacturing plant in Pithampur has also obtained ISO 9001:2008 and ISO 14001:2004 quality certifications. We have also achieved cost efficiencies by utilising waste materials or by-products as raw material inputs for other products and processes.

We have better financial strength as compared to other companies operating in the long and intermediary steel sector (*Source: CRISIL Report*). Our revenue from operations increased at a CAGR of 41.51% from ₹ 6,297.07 crore in Fiscal 2021 to ₹ 12,610.18 crore in Fiscal 2023 and was ₹ 6,273.73 crore in the six months ended September 30, 2023, on a consolidated basis. Our EBITDA amounted to ₹ 1,394.06 crore, ₹ 2,599.88 crore and ₹ 1,486.03 crore in Fiscals 2021, 2022 and 2023, respectively and ₹ 721.03 crore in the six months ended September 30, 2023, on a consolidated basis. Further, according to the CRISIL Report, our Company has one of the highest interest coverage ratio among its peers on back of low debt. As of March 31, 2021, 2022 and 2023 and as of September 30, 2023, our Gross Debt to Equity ratio was 0.24, 0.10, 0.18 and 0.29, respectively, on a consolidated basis. Our RoCE for Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2023 was 27.37%, 36.98%, 12.43% and 17.10%, respectively. Our fixed asset turnover ratio for the Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2023 was 3.38, 5.02, 4.80 and 3.54 respectively.

We are led by our individual Promoters, Mahabir Prasad Agarwal, Brij Bhushan Agarwal and Sanjay Kumar Agarwal, who have several decades, respectively, of experience in the steel and ferro alloys industry and have been instrumental in the growth of our Company. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the metal industry. As of November 30, 2023, we had a workforce of 14,985 personnel which comprised 9,026 permanent employees and 5,959 contract employees for our operations.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections entitled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" beginning on pages 43, 78, 249, 234 and 266, respectively.

Issuer	Shyam Metalics and Energy Limited
Face value	₹ 10 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 597.63 per Equity Share, which has been calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders of our Company dated September 21, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Size	Issue of [●] Equity Shares, aggregating up to ₹ [●] crore. A minimum of 10% of the Issue Size, i.e., [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs
Date of Board resolution authorizing this Issue	July 27, 2023
Date of Shareholders' resolution authorizing this Issue	September 21, 2023
Dividend	See sections entitled "*Description of Equity Shares*" and "*Dividends*" beginning on pages 266 and 90
Eligible Investors	Eligible QIBs, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in this Issue. For further details, see sections entitled "*Issue Procedure*" and "*Selling Restrictions*" beginning on pages 234 and 250, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLM
Equity Shares issued and outstanding immediately prior to this Issue	255,080,688 Equity Shares
Equity Shares issued and outstanding immediately after this Issue	[●] Equity Shares
Indian taxation	See section entitled *"Statement of Possible Special Tax Benefits"* beginning on page 269.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see section entitled "*Issue Procedure*" beginning on page 234.
Listing and trading	Our Company has obtained in-principle approvals from BSE and NSE on January 2, 2024, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue. Our Company will make applications to the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue
Proposed Allottees	See "*Proposed Allottees in the Issue*" on page 486 for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company

Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs, and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See sections entitled "*Issue Procedure*" and "*Selling Restrictions*" beginning on pages 234 and 250, respectively	
Use of proceeds	The gross proceeds from this Issue will aggregate up to ₹ [●] crore. The net proceeds from this Issue, after deducting Issue related expenses is expected to be approximately ₹ [●] crore. See section entitled "*Use of Proceeds*" beginning on page 78 for information regarding the use of Net Proceeds from this Issue	
Risk factors	See section entitled "*Risk Factors*" beginning on page 43 for a discussion of risks you should consider before investing in the Equity Shares	
Closing Date	The Allotment of the Equity Shares is expected to be made on or about [●], 2024	
Ranking and Dividends	The Equity Shares to be issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of voting rights and dividends. The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders' meetings in accordance with the provisions of the Companies Act. Please see sections entitled "*Dividends*" and "*Description of the Equity Shares*" beginning on pages 90 and 266, respectively	
Voting Rights	See *"Description of Equity Shares – Voting Rights"* beginning on page 267	
Security Codes/ Symbols for the Equity Shares	**ISIN**	INE810G01011
	BSE Code & Symbol	543299, SHYAMMETL
	NSE Symbol	SHYAMMETL

SELECTED FINANCIAL INFORMATION

The following tables set out our selected financial information and should be read together with the more detailed information contained in sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", beginning on pages 91 and 287, respectively.

[The remainder of this page has intentionally been left blank]

SUMMARY OF AUDITED CONSOLIDATED FINANCIAL STATEMENT

SUMMARY CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021, MARCH 31, 2022 AND MARCH 31, 2023

(in ₹ crore)

Particulars	As at		
	March 31, 2021	March 31, 2022	March 31, 2023
Assets			
Non-Current Assets			
a) Property, Plant and Equipment	1,758.87	2,383.52	2,867.83
b) Right-of-use assets	42.69	66.01	76.37
c) Capital work-in-progress	506.4	768.28	2,768.92
d) Intangible Assets	0.65	5.09	1.85
e) Investments in associates and joint ventures	11.95	1.57	1.71
f) Financial Assets			
i) Investments	54.63	348.68	929.79
ii) Other Financial Assets	39.76	38.96	28.48
g) Other Non-current Assets	252.47	139.19	212.49
h) Deferred Tax Assets (Net)	6.76	-	-
Total non-current assets (A)	**2,674.18**	**3,751.30**	**6,887.44**
Current Assets			
a) Inventories	1,030.23	2,057.03	2,205.13
b) Financial Assets			
i) Investments	215.24	685.68	531.62
ii) Trade Receivables	533.54	376.10	604.23
iii) Cash and Cash equivalents	163.84	91.90	74.78
iv) Bank balances other than (iii) above	159.94	233.98	97.08
v) Loans	16.18	172.89	1.03
vi) Other Financial Assets	87.38	105.83	86.80
c) Current tax assets (net)	0.15	37.25	104.41
d) Other Current Assets	539.22	913.06	596.16
Total current assets (B)	**2,745.72**	**4,673.72**	**4,301.24**
Total Assets (A + B)	**5,419.90**	**8,425.02**	**11,188.68**
Equity and Liabilities			
a) Equity Share Capital	233.61	255.08	255.08
b) Other Equity	3,400.44	5,579.59	6,907.37
Total Equity (A)	**3,634.05**	**5,834.67**	**7,162.45**
Non Controlling Interest (B)	**4.35**	**3.99**	**385.62**
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	120.18	125.83	331.80
ii) Lease Liabilities	6.01	5.96	5.31
iii) Others Financial Liabilities	9.73	12.42	31.78
b) Provisions	10.59	14.01	20.19
c) Deferred Tax Liabilities (Net)	-	107.28	71.22
d) Other Non-current Liabilities	206.93	171.01	203.47
Total non-current liabilities (C)	**353.44**	**436.52**	**663.77**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	664.78	407.84	819.98
ii) Lease Liabilities	0.58	3.41	3.41
iii) Trade Payables			
(a) Total Outstanding dues of micro enterprises and small enterprises	2.20	7.84	14.58

(b) Total Outstanding dues of other than micro enterprises and small enterprises	364.86	1,186.10	1,510.79
iv) Other Financial Liabilities	63.79	200.31	312.06
b) Other Current Liabilities	295.51	304.41	237.85
c) Provisions	29.28	29.75	1.73
d) Current Tax Liabilities (Net)	7.06	10.18	76.44
Total current liabilities (D)	**1,428.06**	**2,149.85**	**2,976.84**
Total Equity and Liabilities (A + B + C + D)	**5,419.90**	**8,425.02**	**11,188.68**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE FISCALS ENDED MARCH 31, 2021, MARCH 31, 2022 AND MARCH 31, 2023

(in ₹ crore, except earnings per share (basic and diluted))

Particulars	For the year ended		
	March 31, 2021	March 31, 2022	March 31, 2023
Income			
Revenue from operations	6,297.07	10,393.96	12,610.18
Other Income	23.72	60.01	112.01
Total Income (I+II)	**6,320.79**	**10,453.97**	**12,722.19**
Expenses			
Cost of material consumed	3716.74	6,460.87	8,916.33
Purchase of stock-in-trade	67.58	32.54	292.56
Change in inventories of finished goods, stock in trade and work -in-progress	48.99	(180.87)	(242.64)
Employee benefits expense	188.14	246.56	345.15
Finance costs	62.46	23.16	93.13
Depreciation and amortisation expense	300.36	272.40	463.08
Other expenses	881.83	1,235.12	1,812.89
Total Expense(IV)	**5,266.10**	**8,089.78**	**11,680.50**
Profit before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)	**1,054.69**	**2,364.19**	**1,041.69**
Share in Profit of Associate and Joint Venture	0.27	0.14	0.14
Profit before tax (V+VI)	**1,054.96**	**2,364.33**	**1,041.83**
Tax expense:			
(i) Current tax	266.56	539.46	234.59
Add: MAT Credit Utilized	0	100.79	-
(ii) Deferred tax	(55.16)	(0.08)	(41.17)
Profit for the period (VI-VII)	**843.56**	**1,724.18**	**848.41**
Profit for the Year (VIII+IX+X)	**843.56**	**1,724.18**	**848.41**
Profit / (Loss) attributable to Non Controlling Interest	0.2	(0.36)	(9.19)
Profit / (Loss) attributable to owners of the Parent	843.36	1,724.54	857.60
Other comprehensive income			
(i) Items that will not be reclassified to profit and loss			
- Remeasurement of Defined Benefit Plan	0.68	(1.02)	(1.52)
- Equity instruments at fair value through other comprehensive income;	5.89	57.35	21.93
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.42)	(12.76)	(5.05)
Other comprehensive income for the year	**5.15**	**43.57**	**15.36**
Total Comprehensive Income for the period (XI+XII)	**848.71**	**1,767.75**	**863.77**
Comprehensive Income attributable to Non Controlling Interest	0.20	(0.36)	(9.19)
Comprehensive Income attributable to owners of the Parent	848.51	1,768.11	872.96
Earning per Equity Share of ₹ 10 each (in ₹)			
Basic(₹)	**36.1**	**68.91**	**33.26**
Diluted(₹)	**36.1**	**68.91**	**33.26**

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS AS AT AND FOR THE FISCALS ENDED MARCH 31, 2021, MARCH 31, 2022 AND MARCH 31, 2023

(in ₹ crore)

Particulars	As of and for the period ended		
	March 31, 2021	March 31, 2022	March 31, 2023
A. Cash flow from operating activities:			
Net Profit Before Tax	1,054.96	2,364.33	1,041.83
Adjustments for:			
Depreciation and amortisation expense	300.36	272.40	463.08
Provision for Gratuity	1.78	0.90	6.53
Dividend Received	(0.08)	(0.20)	(0.72)
Provision written back as per expected credit loss model	(3.45)	0.09	0.94
Unspent Liabilities written back and Unclaimed Balances adjusted	(11.61)	(11.00)	0.05
Unrealised Foreign Exchange Fluctuations	(12.74)	(3.11)	(5.71)
Gain on fair value of investment	(9.54)	(29.87)	(41.00)
Gain in fair value of equity instruments through Profit and loss	(1.33)	(0.33)	(6.49)
(Profit)/Loss on sales of Property, Plant and Equipment	-	(0.21)	(2.07)
Interest Income on financial assets	(11.50)	(27.43)	(49.92)
Interest & Finance charges	62.46	23.16	93.13
Operating Profit Before Working Capital Changes	**1,369.31**	**2,588.72**	**1,499.65**
Adjustments for :			
Increase/(Decrease) in Trade Payable	(213.30)	827.61	333.29
Increase/(Decrease) in Non current Financial Liabilities	(10.15)	2.69	19.36
Increase/(Decrease) in Current Financial Liabilities	(45.48)	4.41	(17.67)
Increase/(Decrease) in Non-Current Provisions	(16.59)	3.42	6.18
Increase/(Decrease) in Current Provisions	26.95	(1.43)	(36.07)
Increase/(Decrease) in Non current Liabilities	(55.77)	(32.03)	32.46
Increase/(Decrease) in Current Liabilities	179.48	19.81	(66.61)
Decrease / (Increase) in Trade Receivable	(361.24)	160.14	(225.23)
Decrease / (Increase) in Inventories	456.48	(1,026.80)	(148.10)
Decrease / (Increase) in Financial assets- Non current	9.06	(5.08)	(2.95)
Decrease / (Increase) in Other Non-current Assets	82.37	(2.01)	(0.23)
Decrease / (Increase) in Financial assets- current	(19.86)	(22.18)	31.25
Decrease / (Increase) in Other Current Assets	78.80	(382.66)	317.03
Cash flow from operating activities before taxes	**1,480.06**	**2,134.64**	**1,742.36**
Direct Taxes Paid (net)	(176.11)	(573.44)	(235.49)
Net cash flow from operating activities (A)	**1,303.95**	**1,561.20**	**1,506.86**
Purchase of Property Plant & Equipment (Net)			
B. Cash flow from investing activities:			
Purchase of Property Plant & Equipment (Net)	(598.11)	(939.88)	(1,578.92)
Cash Outflow for acquisition of subsidiary	-	10.38	(378.99)
(Increase)/ Decrease in Investment (Net)	(121.04)	(676.94)	(357.64)
Fixed deposits with banks (placed) / realised	(76.47)	(61.79)	150.33
Dividend Received	0.08	0.20	0.72
Loans Refunded/ (Given)	(6.73)	(156.70)	171.86
Interest Received	5.38	24.79	37.69
Net cash from investing activities (B)	**(796.89)**	**(1,799.94)**	**(1,954.95)**
C. Cash flow from financing activities:			
Repayments/Proceeds from Non-current Borrowing (Net)	(231.13)	5.17	205.96
Repayments/Proceeds from Current Borrowing (Net)	(33.82)	(261.32)	412.14
Repayment of Lease Liabilities	0.21	2.79	(0.66)
Proceeds from issue of shares	-	625.58	-
Dividend Paid	(43.22)	(183.66)	(114.79)
Interest paid	(64.96)	(21.76)	(71.69)
Net cash from financing activities (C)	**(372.92)**	**166.80**	**430.96**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**134.14**	**(71.94)**	**(17.12)**
Cash and cash equivalents at the beginning of the year	**29.7**	**163.84**	**91.90**
Cash and cash equivalents at the end of the year	**163.84**	**91.90**	**74.78**

Cash and cash equivalent comprises of:			
Balance with banks - in current account	154.41	68.10	6.56
Cash credit account	-	2.70	58.82
Cheques/ DD on Hand	3.46	0.90	8.22
Unpaid Dividend account with bank	-	0.04	-
Fixed Deposits with maturity less than 3 months	5.23	18.82	-
Cash on hand	0.74	1.34	1.18
Total	**163.84**	**91.90**	**74.78**

SUMMARY OF UNAUDITEED CONSOLIDATED FINANCIAL RESULT

SUMMARY OF STATEMENT OF PROFIT AND LOSS AS AT AND FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2023

(in ₹ crore, except earnings per share (basic and diluted))

Particulars	Six month period ended September 30, 2023
Income	
Revenue from operations	2,940.701
Other Income	38.23
Total Income (I+II)	**2,978.93**
Expenses	
Cost of material consumed	2,159.71
Purchase of stock-in-trade	0.71
Change in inventories of finished goods, stock in trade and work -in-progress	(63.69)
Employee benefits expense	97.64
Finance costs	35.43
Depreciation and amortisation expense	176.54
Other expenses	439.22
Total Expense(IV)	**2,845.56**
Profit before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)	133.37
Share in Profit of Associate and Joint Venture	0.03
Profit before tax (V+VI)	**133.40**
Tax expense:	
(i) Current tax	8.90
(ii)Prior year taxes	(213.05)
(iii) Deferred tax	(144.42)
Profit for the period (VI-VII)	**481.97**
Profit for the Year (VIII+IX+X)	**481.97**
Profit / (Loss) attributable to Non Controlling Interest	(2.12)
Profit / (Loss) attributable to owners of the Parent	484.09
Other comprehensive income	
(i) Items that will not be reclassified to profit and loss	
- Remeasurement of Defined Benefit Plan	1.39
- Equity instruments at fair value through other comprehensive income;	42.03
(ii) Income tax relating to items that will not be reclassified to profit or loss	(10.19)
Other comprehensive income for the year	**33.23**
Total Comprehensive Income for the period (XI+XII)	**515.20**
Comprehensive Income attributable to Non Controlling Interest	(2.12)
Comprehensive Income attributable to owners of the Parent	515.20
Earning per Equity Share of ₹ 10 each (in ₹)	
Basic(₹)	18.89
Diluted(₹)	18.89

SUMMARY CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2023

(in ₹ crore)

Particulars	As at September 30, 2023 (Unaudited)
Assets	
Non-Current Assets	
a) Property, Plant and Equipment	3,868.60
b) Right-of-use assets	48.08
c) Capital work-in-progress	3,023.67
d) Intangible Assets	128.26
e) Investments in associates and joint ventures	1.77
f) Financial Assets	
i) Investments	1,005.84
ii) Other Financial Assets	52.22
g) Non current Tax Assets	315.41
g) Other Non-current Assets	240.07
h) Deferred Tax Assets (Net)	226.55
Total non-current assets (A)	**8,910.47**
Current Assets	
a) Inventories	2,354.30
b) Financial Assets	
i) Investments	581.11
ii) Trade Receivables	570.75
iii) Cash and Cash equivalents	31.46
iv) Bank balances other than (iii) above	28.44
v) Loans	4.10
vi) Other Financial Assets	92.23
c) Other Current Assets	999.78
Total current assets (B)	**4,661.47**
Total Assets (A + B)	**13,571.94**
Equity and Liabilities	
a) Equity Share Capital	255.08
b) Other Equity	7,899.28
Total Equity (A)	**8,154.36**
Non Controlling Interest (B)	**381.31**
Non-Current Liabilities	
a) Financial Liabilities	
i) Borrowings	375.23
ii) Lease Liabilities	7.56
iii) Others Financial Liabilities	36.98
b) Provisions	22.13
c) Deferred Tax Liabilities (Net)	42.46
d) Other Non-current Liabilities	1.77
Total non-current liabilities (C)	**486.13**
Current Liabilities	
a) Financial Liabilities	
i) Borrowings	1,604.55
ii) Lease Liabilities	0.69
iii) Trade Payables	
(a) Total Outstanding dues of micro enterprises and small enterprises	83.71
(b) Total Outstanding dues of other than micro enterprises and small enterprises	1,608.30
iv) Other Financial Liabilities	948.04

b) Other Current Liabilities	274.10
c) Provisions	1.58
d) Current Tax Liabilities (Net)	29.17
Total current liabilities (D)	**4,550.14**
Total Equity and Liabilities (A + B + C + D)	**13,571.94**

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS AS AT AND FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2023

(in ₹ crore)

Particulars	**Six month period ended September 30, 2023**
A. Cash flow from operating activities:	
Net Profit Before Tax	382.30
Adjustments for:	
Depreciation and amortisation expense	334.59
Provision for Gratuity	0.39
Dividend Received	(0.62)
Unspent Liabilities written back	0.23
Expected credit loss on trade receivables	2.10
Unrealised Foreign Exchange Fluctuations	(4.11)
Gain on fair value of investment	(29.38)
Interest Income on financial assets	(27.61)
Finance cost	72.15
Operating Profit Before Working Capital Changes	**730.04**
Adjustments for:	
Increase/(Decrease) in Trade Payable	168.46
Increase/(Decrease) in Non current Financial Liabilities	6.07
Increase/(Decrease) in Current Financial Liabilities	(2.80)
Increase/(Decrease) in Non-Current Provisions	2.21
Increase/(Decrease) in Current Provisions	(0.04)
Increase/(Decrease) in Non current Liabilities	1.20
Increase/(Decrease) in Current Liabilities	(170.36)
Decrease / (Increase) in Trade Receivable	(38.52)
Decrease / (Increase) in Inventories	(140.12)
Decrease / (Increase) in Financial assets- Non current	(20.95)
Decrease / (Increase) in Other Non-current Assets	46.92
Decrease / (Increase) in Financial assets- current	-
Decrease / (Increase) in Other Current Assets	(400.74)
Cash flow from operating activities before taxes	**164.21**
Direct Taxes Paid (net)	(102.79)
Net cash flow from operating activities (A)	**61.42**
Purchase of Property Plant & Equipment (Net)	
B. Cash flow from investing activities:	
Purchase of Property, Plant & Equipment (Net)	(889.92)
(Purchase)/ sale of current investments (Net)	(40.46)
Investments redeemed from fixed deposits with banks	71.78
Dividend Received	0.62
Loans and advances recovered/ (given)	(3.06)
Interest Received	22.19
Net cash from investing activities (B)	**(838.85)**
C. Cash flow from financing activities:	
Repayments of Non-current Borrowing	43.43
(Repayments of)/ Proceeds from Current Borrowing	774.57
Payments of Lease Liabilities	(0.47)
Proceeds from issue of shares	-
Dividend Paid	(45.91)
Finance cost paid	(53.52)
Net cash from financing activities (C)	**718.10**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(59.33)**
Cash and cash equivalents at the beginning of the year	**90.79**
Cash and cash equivalents at the end of the year	**31.46**

RISK FACTORS

An investment in Equity Shares involve a high degree of risk. Potential investors should carefully consider each of the following risk factors described below as well as other information contained in this Preliminary Placement Document before making an investment decision in the Issue. If any particular risk or some combination of the risks described below actually occurs, our business, prospects, financial condition, results of operation and cash flows could be seriously harmed, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management currently believes are material, but the risks set out in this Preliminary Placement Document may not be exhaustive or complete and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future.

In order to obtain a complete understanding about us, potential investors should read this section in conjunction with sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Our Business" and "Industry Overview" beginning on pages 91, 187 *and* 122*, respectively, as well as the other financial information included in this Preliminary Placement Document. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.*

This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Preliminary Placement Document. For details, see section entitled "Forward Looking Statements" beginning on page 18*. Additional risks not described below or not currently known to us or that we currently deem immaterial may also adversely affect the market price of our Equity Shares.*

RISKS RELATING TO OUR BUSINESS

1. ***Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials such as iron ore, iron ore fines, coal, chrome ore and manganese ore may have an adverse impact on our ability to continue our manufacturing process without interruption and our ability to manufacture and deliver the products to our customers without any delay. Further, restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations.***

   Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. We procure some of our primary raw materials, such as, (i) iron ore, iron ore fines and manganese ore on a purchase order basis; (ii) with the exception of the fuel supply agreements that we have entered into certain parties, which accounted for 6.43% of our total coal purchases in Fiscal 2023, we import coal on a purchase order basis; and (iii) chrome ore (with the exception of long term linkages with Odisha Mining Corporation Limited) on a purchase order basis, and have not entered into long term contracts for the supply of such raw materials. Accordingly, we may encounter situations where we might be unable to manufacture and deliver our products due to, amongst other reasons, our inability to predict the increased demand for our products. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. Since we also import a certain amount of raw materials from international suppliers, we remain susceptible to the risks arising out of raw material price fluctuations as well as import duties, which could result in a decline in our operating margins. Additionally, our inability to predict the market conditions may result in us placing supply orders for inadequate quantities of such raw materials.

   Although we have not faced significant disruptions in the procurement of raw materials in the past, there can be no assurance that we will procure the quantities and quality of raw materials commensurate with our requirements in the future. Further, any delay or failure to deliver or delivery of wrong or sub-standard raw materials by our suppliers may have a material and adverse effect on our business, results of operations and financial condition.

In Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, our top three raw materials suppliers accounted for 15.57%, 15.82%, 26.90% and 31.47%, respectively, of our total raw material purchase costs amounting to ₹ 518.15 crore, ₹ 1,166.51 crore, ₹ 2,357.16 crore and ₹ 1,451.18 crore, respectively. If any of our major suppliers ceases to have business dealings with us or materially reduces the quantity of raw materials supplied to us and we are unable to secure new suppliers for such raw materials to meet the requirements at our manufacturing plants, our production schedule may be delayed and our business, financial condition, results of operations and prospects will be adversely affected. In addition, in case of loss of preferred suppliers for key raw materials, we may have to purchase such raw materials from others sources, which may not be of desirable quality and may result in product recall or liability. Also, see "*– Product liability claims could adversely affect our operations.*" on page 55.

In addition, in Fiscal 2023, we imported raw materials amounting to ₹ 1,754.38 crore, which accounted for 20.02% of our total raw material purchases for the particular period. We were also required to pay demurrage charges on import of raw materials and in Fiscal 2021 and the six months ended September 30, 2023, such charges amounted to ₹ 2.98 crore and ₹ 0.22 crore, respectively, representing 0.06% and 0.00% of our total expenditure.

Any restrictions, either from the Central or state governments of India, or from countries which we import from, on such imports may adversely affect our business, prospects, financial condition and results of operations. The European Union has imposed a Carbon Border Adjustment Mechanism (CBAM) to support its rising climate ambition which is expected to affect the steel imported into India. The cost of imported raw materials in India, such as iron ore and coking coal, can be affected by fluctuations in global demand and supply. Iron ore prices had declined significantly starting May 2022 due to the Indian government's announcement to impose export duty of 50% on iron ore and 45% on pellets, which are the main raw materials to make sponge iron. While sponge iron prices saw a correction early over March to June 2022, prices reversed trajectory in July 2022 as thermal coal prices shot up. (*Source*: *CRISIL Report*) There can be no assurance that such restrictions/ regulations would not be made or made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Further, there can be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner.

Further, a significant portion of our expenses is due to freight carriage and transport and freight and forwarding expense and import freight charges, in Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, such charges amounted to ₹ 64.63 crore, ₹ 130.10 crore, ₹ 77.29 crore and ₹ 54.98 crore, respectively, representing 1.23%, 1.61%, 0.66% and 0.92% of our total expenditure. Any increase in import tariff will increase expenses which in turn may impact our business and results of operations.

2. ***Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations.***

Our Sambalpur and Jamuria manufacturing plants have captive railways sidings and we depend primarily on railways to transport the raw materials for such manufacturing units. We also utilize third party transportation services by road for transport of raw materials and our products from/ to our suppliers and customers. Further, we rely on the freight ships for the transport of imported coal as well as for export of our products. Transportation by rail, road or ship, as the case may be, involves risks, including, collision, grounding, storm, fire, explosion, lightning, political instability, allotment of rakes, allotment of berths for cargo ships for our imports and operating restrictions/ lockdown consequent to outbreak of infectious diseases, such as the COVID-19 pandemic.

Any delay or disruption caused to the transportation of raw materials or our products could adversely impact our ability to procure the raw materials as well as to meet the delivery schedule of our products in an economical manner. To ensure timely delivery of our products, we may also be required to maintain relatively high level of inventory of raw materials and this may also resultantly increase our cost.

Further, the operation and maintenance of the railways is carried out by the central Government and we cannot assure you that rakes will be allotted to us on a cost effective basis and that such logistics and transportation infrastructure will be operated and maintained at adequate levels. In the event we are not allotted rakes by the central Government for the transportation of our raw materials or our products, we will be required to transport such raw materials or products by way of road which could increase our logistics costs and could materially and adversely affect our results of operations and financial conditions. Further, disruptions of the logistics and transportation services on account of weather-related problems, strikes, inadequacies in the rail infrastructure, operating restrictions or other events could impair the ability of our suppliers to deliver raw materials or significant increase in transportation costs may have an adverse impact on our operations.

3. ***The demand and pricing in the steel industry is volatile and are sensitive to the cyclical nature of the industries it serves. A decrease in steel prices may have a material adverse effect on our business, results of operations, prospects and financial condition.***

Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in steel prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

In Fiscal 2024, demand is expected to sustain at 7-8% on-year with continued demand from the infrastructure and automobile sectors, and trend at 6.50-7.50% CAGR over Fiscals 2023 to 2028 (*Source: CRISIL Report*). Low steel prices adversely affect the businesses and results of operations of steel producers generally, including ours, resulting in lower revenue and margins and write-downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

In addition, substantial decreases in steel prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for steel products by end users.

4. ***Our Chairman and individual Promoter, Mahabir Prasad Agarwal, Vice Chairman and Managing Director and individual Promoter, Brij Bhushan Agarwal, Joint Managing Director and individual Promoter, Sanjay Kumar Agarwal and whole-time Director Dev Kumar Tiwari, are party to certain criminal proceedings.***

Our Chairman and individual Promoter, Mahabir Prasad Agarwal, Vice Chairman and Managing Director and individual Promoter, Brij Bhushan Agarwal, Joint Managing Director and our individual Promoter, Sanjay Kumar Agarwal, and our whole-time Director, Dev Kumar Tiwari, are party to certain criminal proceedings. For further information, including aggregate details of criminal proceedings and amounts involved in such criminal proceedings involving the Promoters, see "– *There are outstanding legal proceedings against our Company, Subsidiaries, Directors and Promoters which may adversely affect our business, financial condition and results of operations*" on page 58 and section entitled "*Legal Proceedings*" beginning on page 277. Any conviction, penalties or other action against our Chairman and individual Promoter, Vice Chairman and Managing Director and individual Promoter, Joint Managing Director and individual Promoter, whole-time Director or Independent Director for the offences alleged by the complainants may potentially cause negative publicity thereby affecting our reputation, business, prospects, and financial condition.

5. ***The steel industry is characterized by volatility in the prices of raw materials and energy which could adversely affect our profitability.***

Steel production requires substantial amounts of raw materials and energy, including iron ore, iron ore fines, non-coking coal and coke, scrap and power, which are subject to significant price volatility. The production of steel is capital intensive, with a high proportion of fixed costs to total costs. Consequently, steel producers generally seek to maintain high capacity utilization. If capacity exceeds demand, there is a tendency for prices to fall sharply if supply is largely maintained. Conversely, expansion of capacity requires long lead times so that, if demand grows strongly, prices increase rapidly, as unutilized capacity cannot be brought on line as quickly. The result can be substantial price volatility.

For instance, long steel product prices increased by approximately 8.90% on-year in Fiscal 2023 on account of faster recovery in infrastructure space and is expected to increase from ₹ 49,500 per tonne to ₹ 53,268 per tonne in Fiscal 2023. Further, the long steel products prices are expected to increase by 5% to 6.38% in Fiscal 2023 primarily on account of healthy demand recovery and rising cost push from iron ore. Further, primary long steel prices increased by 8.90% in Fiscal 2023 to ₹ 53,268 per tonne. However, secondary TMT prices experienced a decline primarily due to lower bargaining power. In Fiscal 2023, long steel prices had increased by 8.90% on-year on account of healthy rise in long steel demand supported by rising iron ore and scrap prices. In addition, international ferrochrome prices increased by 9.56% on-year to $ 1,402 per tonne in Fiscal 2023 on account of rise of ferro chrome demand. Domestic prices for ferrochrome followed a similar trend with 9.34% on-year increased in prices to ₹ 115,272 per tonne on account of healthy rise on account of ferro chrome demand. Going forward, prices for ferrochrome are expected to moderately increase in Fiscal 2024 due to severe chrome ore supply disruptions. In relation to manganese alloy, prices are expected to decline in Fiscal 2024 by 2-5% on-year due to declining demand. Moreover, falling domestic manganese ore prices due to decline in global manganese ore prices due to oversupply situation to further weigh on the alloy prices. In Fiscal 2021, domestic ferro manganese demand declined 4-6% on-year due to a fall in crude and stainless-steel production amid the Covid-19 fallout. Domestic crude steel production declined 3-4% and stainless-steel demand dropped 18-20% in the Fiscal. In Fiscal 2022, manganese alloy demand posted double-digit growth for the first time in a decade, with demand in volume terms increasing 14% on-year over a low base and pent-up demand from end-use segments for crude and stainless steel. (*Source: CRISIL Report*)

We may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

6. ***The unexpected loss, shutdown or slowdown of operations at any of our manufacturing plants could have a material adverse effect on our results of operations and financial condition.***

Our manufacturing plants are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. While we undertake precautions to minimize the risk of any significant operational problems at our plants, there can be no assurance that our business, financial position and operations will not be adversely affected by disruption caused by operational problems at our manufacturing plants. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. The occurrence of any of these risks could affect our operations by causing production at one or more manufacturing plant to shut down or slowdown. We have in the past faced such instances. For example, in 2010, one of our ferro alloy plants located at the Sambalpur manufacturing plant was damaged due to a fire which resulted in production stoppage of approximately six months. Further, in 2015, the transformer for one of our ferro alloy plants located at the Sambalpur manufacturing plant suffered a breakdown which resulted in a production stoppage for more than two months. No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our results of operations and financial condition.

For instance, we have received a notice from the Forest Range Office for demolition and removal of the structures present over a parcel of land situated at Jamuria, where we propose to undertake expansions. An F.I.R. has also been filed against SSPL and the matter is presently pending. Any adverse final order in the matter will have a material adverse effect on our results of operations and financial condition.

Further, one of our primarily raw materials, coal, depending on our inventory levels at times, is also stored in open areas at our manufacturing plants and hence is prone to catching fire in the summer due to high temperatures. For example, in 2016, there were two instances of spontaneous combustion of coal at our Sambalpur manufacturing plant. Any loss of coal as a result could have a material adverse effect on our results of operations and financial condition. In addition, some of our key equipment may, on occasion, be out of service as a result of routine servicing or unanticipated failures, which could require us to close part or all of the relevant manufacturing plant or cause production reductions on one or more of our manufacturing plants. Our manufacturing plant and such key equipment would be difficult and expensive to replace on a timely basis.

Our manufacturing plants are reliant on our captive power plants for the requirement of power. In Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, power units produced from our captive power plants accounted for 78.68%, 78.47%, 73.00% and 79.17%, respectively, of our total power units consumed. We have in the past faced instances which led to the shutdown of some of our captive power plants. For example, in 2011 and 2014, the turbine for our 15 MW and 30 MW captive power plants at Mangalpur and Jamuria suffered a breakdown which resulted in a stoppage of the production of energy for approximately three months and two months respectively. Further in 2016, two fly ash silos connected with the captive power plant at our Jamuria manufacturing plant collapsed resulting in a stoppage of the production of energy for approximately three months.

Any interruption in production may require significant and unanticipated capital expenditure to affect repairs or increase the cost of power, which could have a negative effect on profitability and cash flows. A sustained disruption to our business could also result in a loss of customers or imposition of penalties by our customers for failure to adhere to timelines. Any or all of these occurrences could result in the temporary or long-term closure of our manufacturing plants, severely disrupt our business operations and materially adversely affect our business, results of operations, financial condition and prospects.

7. ***If we are unable to successfully implement our proposed expansion plans, including our proposal to enter ductile pipe and stainless steel business, our results of operations and financial condition could be adversely affected.***

We have consistently increased our installed metal capacity (comprising of intermediate and final products). Recently, we have undertaken various expansions of our manufacturing plants For instance, at our Sambalpur manufacturing plant, we installed (i) one iron ore pellet plant of 12,00,000 TPA, one sponge iron plant of 1,98,000 TPA, billet plant of 4,61,200 TPA, Rolling Mill, Wire rod mill and wire drawing mill of 5,10,000 TPA and Low carbon ferro chrome of 14,000 TPA in Fiscal 2023, (ii) one iron ore pellet plant of 6,00,000 TPA, sponge iron plant of 1,65,000 TPA, and a captive power plant of 40MW in Fiscal 2022, (iii) two iron pellet plants of 3,00,000 TPA and 6,00,000 TPA, sponge iron plant of 1,65,000 TPA, TMT plant of 60,000 TPA, wire rod plant of 200,000 TPA and a captive power plant of 33 MW in Fiscal 2020 and (iv) a billet plant of 63,360 TPA in Fiscal 2019. Further, at our Jamuria manufacturing plant, we installed (i) one iron ore pellet plant of 12,00,000 TPA, sponge iron plant of 2,31,000 TPA, one billet plant of 3,09,480 TPA, one rolling mill of 3,00,000 TPA and a captive power plant of 90 MW in Fiscal 2024, (ii) billet plant of 2,91,360 TPA, rolling mill and wire drawing mill of 2,60,000 TPA in Fiscal 2023, (iii) one iron ore pellet plant of 6,00,000 TPA, sponge iron plant of 5,51,000 TPA, billet plant of 52,500 TPA, structure mill of 84,000 TPA in Fiscal 2022, (iv) one 1,15,500 TPA sponge iron plant and 95,040 TPA billet in Fiscal 2021 (v) an iron pellet plant of 6,00,000 TPA, a sponge iron plant of 99,000 TPA, a billet plant of 1,68,960 TPA, a TMT plant of 1,06,992 TPA, a wire rod plant of 2,00,000 TPA and a captive power plant of 30 MW in Fiscal 2020; and (vi) a ferro alloy plant of 14,000 TPA in Fiscal 2019. We have also added two aluminium foil manufacturing plants at Pakuria, West Bengal and Giridih, Jharkhand, to our manufacturing capacities which have a combined capacity of 0.04 MTPA. We are also in the process of setting up two more manufacturing plants at Kharagpur and Durgapur, West Bengal.

We intend to further increase our existing manufacturing capacities and undertake capacity expansion through inorganic route including acquisitions of companies in similar lines of business such as Ramsarup Industries Limited, which was acquired by us in the year 2022. Further, in the year 2023, Shyam SEL and Power Limited, our wholly-owned subsidiary, acquired Mittal Corp Limited which included two stainless steel manufacturing plants, situated at Pithampur, Madhya Pradesh. For further information, see section entitled "*Our Business — Our Strategies – Continue to increase our existing manufacturing capacities and undertake capacity expansion through inorganic route*" on page 193.

These expansion projects, to the extent that they proceed, would involve risks, including risks associated with the timely completion of these projects, and our failure to adequately manage these risks notwithstanding our upgraded operational and financial systems, procedures and controls could have a material adverse effect on our business, financial condition, results of operations and prospects. Factors that could affect our ability to complete these projects on time or at all, include completing the project/ civil construction, receiving financing as per the proposed expansion plan, financing terms not being reasonable, receiving the machineries of desired quality and on scheduled time, obtaining or renewing required regulatory approvals and licenses, a decline in demand for our products and general economic conditions.

Our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion plans. Further, there can be no assurance that we will be able to execute our strategies on time and within the budget estimated by the Company. In addition, our expansion plans have not been appraised by any independent or third party agency, and accordingly, in the absence of such independent appraisal, our expansion plans may be subject to change based on various factors which are beyond our control.

8. ***We are subject to certain restrictive covenants in our financing arrangements which may limit operational and financial flexibility, and failure to comply with these covenants may have a material adverse effect on our future results of operations and financial condition.***

Our Company and SSPL, our Subsidiary, have availed term loans and working capital facilities in the ordinary course of business, for the purpose of capital expenditure, purchase raw materials, packing material, stores, spares and services required for day-to-day operations. As of September 30, 2023, our total fund and non-fund based outstanding indebtedness amounted to ₹ 3,026.19crore. Certain of our financing arrangements include covenants to maintain certain debt to equity ratios, debt coverage ratios and certain other liquidity and profitability ratios. There can be no assurance that maintaining, or adhering to, such covenants will not hinder business development and growth.

In the event that we breach any covenants under our financing arrangements or requisite consents/waivers cannot be obtained, the outstanding amounts due under such financing agreements could become due and payable immediately. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our financing agreements could have a material adverse effect on our business, results of operations, financial condition and prospects.

Some of our financing agreements and debt arrangements set limits on or require us to obtain lender consents before, among other things, undertaking certain projects, issuing new securities, availing additional funding, changing our business, merging, consolidating, selling significant assets or making certain acquisitions or investments. In addition, certain covenants may limit our ability to raise incremental debt or to provide collateral. While we have in the past been able to obtain required lender consents for undertaking such activities (including in relation to the Offer), there can be no assurance that we will be able to obtain such consents in the future in a timely manner or at all. If our financial or growth plans require such consents, and such consents are not obtained or other condition or covenant under our financing agreements is not waived by the lender, we may be forced to forgo or alter our plans, which could adversely affect our results of operations, financial condition and prospects.

For instance, we propose to utilise the Net Proceeds from the Issue for repayment/ pre-payment, in full or part, of certain borrowings availed by our Company and SSPL, our Subsidiary, and other general corporate purposes. Our Company and SSPL may be subject to certain prepayment penalty or pre-payment charges. For further information of the proposed objects of the Offer, see section entitled "*Use of Proceeds*" beginning on page 78.

9. ***Our business operations are being conducted on owned and leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations. Further, any failure or delay in the acquisition of land or an inability to acquire land at acceptable costs or on commercially reasonable***

terms may adversely affect our business, results of operations and financial condition.

Our business operations, including manufacturing plants, are being conducted on premises which are partly owned by us or leased from third parties, and maybe encumbered, and we may continue to enter into such transactions in future. Further, while each of the leases for the locations of our manufacturing plants are long term leases, certain portions of land on which our Jamuria manufacturing plant is located is owned by a Promoter Group entity and there is no formal relationship/arrangement for use of this land. We also have liaison offices at Bhubaneshwar, Bhadrak and Gurugram which we have taken on a leasehold basis. Some of these agreements are inadequately stamped. We cannot assure you that we will continue to be able to renew the lease at favourable terms or at all. Given that some of our business operations are conducted on premises leased from third parties, any adverse impact on, or deficiency in, the title, ownership rights or development rights of the owners from whose premises we operate, breach of the contractual terms of any lease or leave and license agreements, or any inability to renew such agreements on acceptable terms or at all may materially affect our business operations.

Further, we may require additional amount of land for the purposes of operating our manufacturing plants and future expansion plans. However, we cannot assure you that we will be able to identify or acquire adequate land either on a freehold or leasehold basis, or that land acquisitions will be completed in a timely manner, at acceptable costs and/or on commercially reasonable terms, without opposition, or at all. The cost of acquiring land on a freehold or leasehold basis for our manufacturing plants may be higher than we estimated and is subject to a number of factors, including the type of land being acquired, market prices, the level of economic development in the area where the land is located and government regulations pertaining to the price of land, among others. In addition, we may face significant opposition to the construction of our manufacturing plants from local communities, tribes, non-government organizations and other parties. Such opposition or circumstances may be beyond our control. If we are unable to acquire the required amount of land for our manufacturing plants, the viability and efficiency of such projects may be affected. In addition, any inability to complete the acquisition of the necessary land in a timely manner may cause construction delays. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

10. ***Our Company is required to comply with the various requirements prescribed under the SEBI Listing Regulations. Failure to comply with the same by our Company may result in certain adverse consequences.***

In accordance with the applicable SEBI Listing Regulations, BSE via its email dated March 7, 2022 and NSE vide their letter, dated March 7, 2022, have levied fine of ₹ 47,200, each for non-compliance with Regulation 33 of the SEBI Listing Regulations, which has been paid by our Company. We received two notices from BSE and NSE dated August 11, 2023 and August 9, 2023, respectively, for non-compliance with intimation requirements under Regulation 29(1) of the SEBI LODR Regulations. We replied by way of our email dated August 11, 2023 and August 9, 2023, respectively. Thereafter, BSE, by way of email dated August 11, 2023 and NSE, by way of a letter dated August 11, 2023 imposed fine of ₹ 11,800 each, both of which we paid on August 23, 2023. There can be no assurance that similar fines will not be levied or any other action (as set out in the applicable SEBI Listing Regulations) will not be taken by the Stock Exchanges. Any substantial fines could adversely impact our profitability and results of operations.

11. ***Our manufacturing plants and sources of our raw materials are primarily concentrated in eastern India and any adverse developments affecting this region could have an adverse effect on our business, results of operations and financial condition.***

We currently operate three steel manufacturing plants located at Sambalpur in Odisha, and Jamuria and Mangalpur in West Bengal while we operate two aluminium foil manufacturing plants that are located at Pakuria in West Bengal and Giridih in Jharkhand. We also have two stainless steel plants located at Pithampur in Madhya Pradesh. We procure our raw materials such as iron ore, iron ore fines, coal, pig iron, manganese ore, chrome ore and coke from these states. Further, a portion of our revenue from sale of manufactured products is also derived from the eastern region of India in the Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, revenue from sale of manufactured products from the eastern region of India accounted for 47.02%, 49.28%, 42.91% and 64.9%, respectively, amounting to ₹ 2,885.70 crore, ₹ 4,991.36 crore, ₹ 5,240.18 crore and ₹ 4,071.73 crore, respectively, of our total revenue from sale of manufactured products. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the central or state government or local governments in the eastern region of India could adversely affect, amongst others, manufacturing operations and transport operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing plans could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. While there has been no material impact of natural disasters on the assets of our Company in the past, the occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

12. *We are required to pay liquidated damages to some of our suppliers of coal and chrome ore in the event we do not lift a specified percentage of the annual contracted capacity.*

Our manufacturing plants primarily acquire coal from Mahanadi Coalfields Limited, Central Coalfields Limited and South Eastern Coalfields Limited pursuant to various fuel supply agreements. Under the fuel supply agreements, we are obligated to offtake between 75.00% of the annual contracted capacity failing which we are required to pay compensation or liquidated damages to Mahanadi Coalfields Limited, Central Coalfields Limited and South Eastern Coalfields Limited (as the case maybe). Further, we are obligated to offtake atleast 90.00% of the annual contracted capacity of the chrome ore from Odisha Mining Corporation Limited, failing which we are required to pay damages equivalent to 5.00% of the entire sale value of the allotted quantity. We have, in the past, faced instances where we were required to pay liquidated damages for non-compliances with such obligations. Any payment of liquidated damages in future may have an effect on our business, results of operations and financial condition.

13. *Our inability to expand or effectively manage our distributors or any disruptions in our distribution network may have an adverse effect on our business, results of operations and financial condition.*

We rely largely on our distributors to sell certain final products such as TMT bars, structural products, wire rods and pipes to our end consumers. As of September 30, 2023, we had partnerships with 1,837dealers and distributors, who stock and sell our finished products across 28 states and two union territories. We sell our intermediate products through brokers. We have not entered into any definitive agreements with such brokers for the sale of intermediate products. Our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network. We cannot assure you that we will be able to successfully identify or appoint new distributors, maintain relationship with our brokers or effectively manage our existing distribution network. Any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, cash flows and results of operations:

- failure to maintain relationships with our existing distributors or brokers;
- failure to establish relationships with new distributors or brokers on favorable terms;
- inability to timely identify and appoint additional or replacement distributors upon the loss of one or more of our distributors or brokers;
- reduction, delay or cancellation of orders from one or more of our distributors or brokers;
- disruption in delivering of our products by distributors; and
- inability to collect full or partial payments from distributors.

We may not be able to compete successfully against larger and better-funded distribution networks of some of our current or future competitors, especially if these competitors provide their distributors or brokers with more favorable arrangements. If the terms offered to such distributors, brokers or agents by our competitors are more favourable than those offered by us, our distributors, brokers or agents may decline to distribute/ sell our products or push competitors' products and terminate their arrangements with us. Additionally, our distributors and brokers are not exclusive to us and also stock and sell products of multiple manufacturers, who could be our competitors. We cannot assure you that we will not lose any of our distributors or brokers to our competitors, which could cause us to lose some or all of our favorable arrangements with such distributors or brokers and may result in the termination of our relationships with other distributors or brokers.

Alternately, if our distributors or brokers are not able to maintain a strong network of distribution or effectively distribute/ sell our products, our products may not attain as much reach as our competitors in the market and we may lose market share which may have a material adverse effect on our results of operations.

14. ***Developments in the competitive environment in the steel industry, such as consolidation among our competitors, could have a material adverse effect on our competitive position and hence our business, financial condition, results of operations or prospects.***

We believe that the key competitive factors affecting our business include product quality, capacity creation and utilization, changes in manufacturing technology, workforce skill and productivity, operating costs, pricing power with large buyers, access to funding, the degree of regulation and access to a regular supply of raw materials. We cannot assure prospective investors that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive factors. In the past, there have been instances of consolidation among our competitors. Competition from global steel producers with expanded production capacities and new market entrants could result in significant price competition, declining margins and a reduction in revenue. For example, these companies may be able to negotiate preferential prices for certain products or receive discounted prices for bulk purchases of certain raw materials that may not be available to us. Further, changes in India's debt restructuring and insolvency laws, including the Insolvency and Bankruptcy Code, 2016, has lead to consolidation among our competitors. In addition, our competitors may have lower leverage and/ or access to cheaper sources of funding. Larger competitors may also use their resources, which may be greater than ours, against us in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our export products. The market is still highly fragmented, and if the trend towards consolidation continues, we could be placed in a disadvantageous competitive position relative to other steel producers and our business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete.

15. ***Failure to comply with environmental laws and regulations by us could lead to unforeseen environmental litigation which could impact our business and our future net earnings.***

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to further invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing plants. Further, we are subject to a litigation in connection with compliance with safety standards and the rules and regulations relating to the health of employees. For details, please see section entitled "*Legal Proceedings*" on page 277. We may be subject to such similar litigations in the future as well, the outcome of which may have a material adverse effect on our business and operations.

Additionally, during the course of our business operations, we have in the past received certain notices and intimations from concerned state pollution control boards. These notices and intimations require us to *inter alia* observe compliance with orders or directions of the authority, submit documents and reports stated therein, submit bank guarantees and also direct temporary closure of certain units of our manufacturing plants. These orders and directions are either industry general or relate specifically to us. Our Company received certain notices from the Pollution Control Board, Odisha noting certain non-compliances with environmental laws and calling upon us to *inter alia* rectify the same and submit a bank guarantee for ₹ 0.35 crore. As on date of this Preliminary Placement Document, our Company has responded to all such notices stating compliance with the aforementioned directions and have not received any replies from the concerned authorities commencing regulatory action in relation to such notices, except as disclosed in this Preliminary Placement Document. For information regarding regulatory action commenced against our Company, please see section entitled "*Legal Proceedings*" on page 277. We cannot assure you that no action will be taken by such authorities against us in the future.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

16. ***Our business is substantially affected by prevailing economic, political and other prevailing conditions in India and globally.***

Our Company and Subsidiaries are incorporated in India, and our manufacturing operations are located in India. Further, we have a customer base in India and globally. Our business and results of operations have been and continue to be affected by international, national and regional economic conditions. Unfavourable economic conditions in India or any of our key markets could have a material adverse effect on our business, results of operations, financial condition and prospects. As a result, we are highly dependent on prevailing economic conditions in India and the other key markets and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy in such countries, and hence our results of operations and cash flows, may include:

- any adverse change in the growth rate of the global economy;
- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies, including import restrictions;
- political instability, terrorism or military conflict in the region or globally, including in various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in the relevant country's principal export markets;
- any downgrading of debt rating by a domestic or international rating agency;
- instability in financial markets; and
- other significant regulatory or economic developments in or affecting the relevant country.

In particular, rates of economic growth have significant impacts on our consumers of steel and intermediate products, such as the automotive, infrastructure and the construction industries and declines in steel consumption caused by poor or unfavorable economic conditions in one or more of our major markets or by the deterioration of the financial condition of our key customers would have a material adverse effect on demand for our products and hence on our business and results of operations.

17. ***A certain amount of our revenue is generated from certain key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on a limited number of customers for a certain portion of our revenues. In Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, our top 10 customers represented 12.63%, 12.89%, 9.99% and 13.97%, respectively, of our total revenues from operations, amounting to ₹ 795.47 crore, ₹ 1,339.44 crore, ₹ 1,259.59 crore and ₹ 876.16 crore, respectively, in such periods, while our largest customer represented 2.02%, 2.16%, 1.90% and 2.86%, respectively, of our total revenues from operations amounting to ₹ 127.49 crore, ₹ 224.59 crore, ₹ 239.35 crore and ₹ 179.64 crore, respectively, in Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, respectively. There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. A significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the steel industry or the economic environment generally may materially and adversely affect our business, results of operations and financial condition.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future. In addition, our revenues may be adversely affected if there is an adverse change in any of our customers supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

18. ***Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

As of November 30, 2023, we had a workforce of 14,985 personnel which comprised 9,026 permanent employees and 5,959 contract employees for our operations. Although we have not experienced any work stoppages due to labour disputes or cessation of work in the recent past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Further, our employees are not unionised into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are improbable for us to forecast or control and any such event could adversely affect our business, results of operations and financial condition.

19. ***If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of processing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.***

We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain low cost of operations, including our ability to process and supply sufficient quantities of our products as per the agreed specifications. If we are unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt our technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected. In addition, our Company regularly follows process improvements as part of our manufacturing process to achieve optimum production and to improve productivity from our existing facilities. Expenditure towards such activities is debited under respective heads of expenditure or is capitalised in case of upgradation/ replacement. Accordingly, our Company is unable to provide details of R&D expenses as a percentages of revenue in the past three financial years.

20. ***We do not have long-term agreements with our customers which would have a material adverse effect on our business, results of operations and financial condition.***

Our product offerings cater to a mix of customers that consist of institutional customers and end-use consumers through our distribution network. Though we have had repeat orders from customers and have developed relationships with certain customers, we do not typically enter into long-term contracts with our customers. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products that may have a material adverse effect on our business, results of operations and financial condition. We are also exposed to risks of lower sales volume or lower price realization on such volumes depending on prevailing market conditions, as a result of such short-term arrangements. Our relationship with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers and agents. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement for our products and could result in a significant decline in the revenues we derive from such customers.

21. ***Our Company has applied for registration of the trademark in relation to our brand logo. Until such registrations are granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill and adversely affect our business. An inability to protect, strengthen and enhance our existing brand for our products could adversely affect our business prospects and financial performance.***

We have made various trademark registrations applications for, amongst others, our brand logo under which our TMT and structural products are sold, , under various classes, with the Registrar of Trademarks in India under the Trade Marks Act, 1999. There can be no assurance that our trademark applications will be accepted and the trademarks will be registered. Pending the registration of these trademarks, we may have a lesser recourse to initiate legal proceedings to protect our private labels. However, we may have to incur additional cost in relation to this. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to avail the legal protection or prevent unauthorised use of such trademarks by third parties, which may adversely affect our goodwill and business.

Our business reputation and brand under which we sell our products, are critical to the success of our business. While we have been making consistent efforts to strengthen our brand, various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand, and if not managed properly, may negatively affect our brand and reputation. These include our ability to effectively manage the quality of our products; increase brand awareness among existing and potential customers, dealers and distributors; adapt our advertising and promotion efforts to emerging industry standards; and protect the intellectual property related to our brand. Further, there can be no assurance that our advertising or marketing efforts will be successful in maintaining our brand and its perception with dealers and/ or result in increased sales in the future. Our inability to adapt to evolving marketing trends at the same pace as our competitors may adversely affect our ability to effectively compete in terms of our brand equity. In addition, our reputation and brands could also be affected by socially motivated groups, which could lead to a decline in our sales volume.

22. ***If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.***

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliances with all relevant statutory and regulatory requirements. There can be no assurance that deficiencies in our internal controls will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, rectify any deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks and to avoid frauds. For instance, we had made inadvertent mistakes in certain return of allotments filed with the RoC for allotment of shares of our Company, and there have been delays in filing forms for certain of our allotments. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation. For example, in 2004, our Subsidiary, SSPL made an allotment of 766,000 equity shares of face value of ₹ 10 each to 61 allottees, in violation of Section 67(3) of the Companies Act, 1956. Thereafter in 2018, SSPL offered an exit opportunity to our Company as its then existing shareholder as per applicable law. Upon completion of the exit offer process, and filing of required forms with the RoC, SSPL filed a compounding application with the National Company Law Tribunal, Kolkata Bench on November 28, 2018 under Section 621A of the Companies Act, 1956 and Section 441 of the Companies Act, 2013, for compounding of the said violation of Section 67(3) of the Companies Act, 1956. The application is still pending before NCLT and we cannot assure you that SSPL will not be subject to any penalty or be subject to any other liability under the Companies Act.

23. ***Our manufacturing plants are subject to various operating risks.***

Our operations are inherently risky and requires individuals to work under potentially high risk circumstances. For example, if improperly handled, molten metal can cause personal injury or loss of life of employees or other persons, and cause damage to our properties and the properties of others and the imposition of civil or criminal liabilities. We could also face claims and litigation filed on behalf of persons alleging injury as a result of occupational exposure to hazards at our facilities.

24. ***We have in the past not complied with the corporate social responsibility requirements under the Companies Act, 2013.***

Companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average profit/(loss) before tax of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and Key Managerial Employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013. For instance, we were required to spend ₹ 8.94 crore in Fiscal 2020; however, we spent ₹ 6.67 crore towards our corporate social responsibility activities in such period which is less than the prescribed amount under the Companies Act, 2013. We cannot assure you that no penalties will be imposed on us or our Directors and Key Managerial Personnel regarding such non-compliance in the future, the costs of which may be significant, and which may have an adverse impact on our business, financial condition and reputation.

25. ***Product liability claims could adversely affect our operations.***

We sell our long steel products (intermediate products) and ferro alloys to major manufacturers who are engaged to sell a wide range of end products. If the quality of our long steel products (intermediate products) and ferro alloys do not meet the specifications of the order or the requirements of the application, there may be significant disruptions to the customer's production lines. There could be, as a result of such quality failure, significant consequential damages resulting from the use of such products. We do not currently carry any product liability insurance coverage, and a major claim for damages related to products sold could leave us uninsured against a portion or the entire award and, as a result, materially harm our business, financial condition and results of operations. For instance, our Subsidiary, SSPL, received a notice from the Bureau of Indian Standards ("**BIS**") dated January 25, 2013 seizing certain articles pursuant to a search and seizure conducted at the premises of SSPL for allegedly misusing a BIS mark on a different item from the item it was authorised for. Another notice dated January 30, 2013 was received from the BIS *inter alia* stating that due to misuse of an ISI mark, it was decided to put the BIS license under "stop marking" with immediate effect, and hence preventing SSPL from marking or dispatching any product with the said ISI mark, and calling upon SSPL to deposit ₹ 3,371 (Rupees Three Thousand Three Hundred and Seventy One only) towards special inspection charges (collectively, "**Notices**"). By letter dated February 26, 2013, SSPL has responded to the notice dated January 30, 2013 *inter alia* submitting the relevant documents and confirming compliance with the conditions mentioned in the Notices. Subsequently, a criminal complaint has been filed by the Bureau of Indian Standards ("**Complainant**") against our Subsidiary, SSPL, before the Court of the Chief Judicial Magistrate at Burdwan, under Section 33(1) of the Bureau of Indian Standards Act, for violation of Section 11(1) of the Bureau of Indian Standards Act on the grounds that SSPL had manufactured certain items without mandatory certification. For further information, see section entitled "*Legal Proceedings*" beginning on page 277.

26. ***A shortage or non-availability of essential utilities such as electricity and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our business operations are heavily dependent on continuous supply of electricity and water which are critical to our manufacturing operations. While our power requirements are met through our captive power plants and through power supply agreements with India Power Corporation Limited, Damodar Valley Corporation and WESCO, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured through a captive reservoir, river and municipal corporation, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage.

27. ***Our efforts to ensure high capacity utilization in our plants may result in oversupply of our products which may adversely affect our profitability***

Our competitiveness and long-term profitability are, to a significant degree, dependent upon our ability to optimize capacity utilization and maintain low-cost and efficient production relative to competitors. Due to the high fixed costs related to steel production, steel producers generally attempt to maintain high capacity utilization rates in order to maintain their profitability. However, any excess capacity often results in manufacturers selling significant amounts of steel and steel products at prices that are at or below their costs of production. In addition, oversupply may result in decreased steel prices as well as lower utilization rate. Further, during periods of declining demand, this may result in a significant oversupply of steel and a corresponding decline in steel prices. This may be further exacerbated by reduced levels of GDP growth and government policies in major economies, including China and the United States. Continued low utilization rates would also affect our fixed costs, which cannot be fully reduced in line with production, leading to a higher per unit cost. A decrease in our utilization rate could have a material adverse effect on our business, financial condition and results of operations.

28. ***We face substantial competition, both from Indian and international steel producers, which may affect our prospects.***

The Indian steel industry is highly competitive. Our primary competitors include Jindal Steel and Power Limited, Tata Steel Limited, Steel Authority of India Limited, JSW Steel Limited, Kalyani Steel Limited MSP Steel & Power Limited, Prakash Industries and Sarada Energy & Minerals Limited (*Source: CRISIL Report*). As a manufacturer of long steel products and ferro alloy products, we compete to varying degrees with other Indian steel and ferro alloy manufacturers.

Competing domestic steel and ferro alloy producers have increased their manufacturing capacity and we expect domestic competition to further intensify with the ramping up of new manufacturing plants by these competitors. Some of our domestic competitors may possess an advantage over us due to various reasons, such as captive raw material sources, greater economies of scale, integrated manufacturing plants, specialization in production of value-added or niche products, stronger distribution network and greater presence in certain markets. Maintaining or increasing our market share will depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including our ability to improve our manufacturing process and techniques, introduce new products, respond to pricing strategies of our competitors, and adapt to changes in technology and changes in customer preferences. Failure by us to compete effectively could have a material adverse effect on our business, financial condition and results of operations.

We also expect increasing competition from international steel and ferro alloy producers due to the increasing consolidation in the steel industry worldwide. A number of our international competitors may have greater financial and other resources and some have announced plans to establish manufacturing operations in India. We may also face competition from new companies that are emerging which may attempt to obtain a share in our existing markets. These factors, among others, have intensified the competition from global steel and ferro alloy players and there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition with respect to our activities may not have an adverse effect on our business, financial condition and results of operations.

29. ***Our business is seasonal in nature and therefore our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.***

Demand for our products is seasonal as climatic conditions, particularly the monsoon, affect the level of activity in the construction industry. As a result, we usually experience relatively weaker sales volume during the monsoon, and somewhat stronger sales in other seasons. We expect our results of operations will continue to be affected by seasonality in the future. Our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.

30. ***We face numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect our revenue from exports.***

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales from exports. While there have been no sanctions / penalties imposed by any foreign country which have had a material impact on our Company in the last three financial years, in the event any antidumping duty proceedings or any resulting penalties or any other form of import restrictions are imposed upon us, it may limit our access to export markets for our products, and in the future additional markets could be closed to us as a result of similar proceedings, thereby adversely impacting our sales from exports or limiting our opportunities for growth.

Tariffs are often driven by local political pressure in a particular country and therefore there can be no assurance that quotas or tariffs will not be imposed on us in the future. In the event that such protective trade restrictions are imposed on us, our exports could decline. Further, a decrease in exports from India or an increase in steel imports to India as a result of protective trade restrictions could have a negative impact on our business, financial condition and results of operations.

31. ***Our inability to collect receivables and default in payment from our dealers and distributors could result in reduced profits and affect our cash flows.***

In our sales through dealers in India, we strive to operate on immediate payment terms, and at times with partial or no advance payment terms, but there is no guarantee that our dealers will not default on their payments. We extend credit periods to our dealers and we cannot guarantee that our dealers will not default on their payments which might adversely affect our profits margins and cash flows. An inability to collect receivables from our dealers in a timely manner or at all, could adversely affect our working capital cycle, and cash flow. In Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, our trade receivables were ₹ 533.54 crore, ₹ 376.10 crore, ₹ 604.23 crore and ₹ 570.05 crore, respectively, representing 9.84%, 4.46%, 5.40% and 4.20% of our total assets. Further, in Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, we have written off ₹ 1.34 crore, ₹ 1.04 crore, ₹ 0.10 crore and ₹ 0.23 crore, respectively, representing 0.25%, 0.28%, 0.02% and 0.04% of our trade receivables, in relation to non-collection of payment from dealers, distributors and customers, and such non-collections are not in relation to payments from our Subsidiaries and related parties.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers/ distributors to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements. We are currently involved in various litigations in connections with the aforesaid. For details, please see sections entitled "*Legal Proceedings – Litigation by our Company – Outstanding criminal proceedings*" and "*Legal Proceedings – Litigation by our Company – Outstanding material civil litigations*" on pages 279 and 278, respectively. Any such increase in our receivable turnover days will negatively affect our business.

32. ***A reduction in import duties on steel products in India may lead to increased competition from foreign companies, reduce our market share and reduce margins on our products.***

The import duty, along with lower freight costs and, in some countries, higher labour costs, have allowed domestic manufacturers to enjoy a significant price advantage over imported steel products in the domestic Indian market. However, any policy change by the Government, resulting in a reduction in import duties may assert downward pressure on our margins and prices.

Reductions in import duties and lower priced imports from countries that benefit from bilateral or multilateral trade agreements with India may have an adverse effect on our business, financial condition and results of operations.

33. ***We derive a portion of our revenues from exports to a limited number of markets and any adverse developments in these markets or inability to enter into new markets could adversely affect our business.***

In Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, revenue generated from exports amounted to ₹ 1,008.54 crore, ₹ 1,758.64 crore, ₹ 1,264.72 crore and ₹ 667.94 crore, respectively, representing 16.02%, 16.92%, 10.03%, and 10.65%, respectively, of our revenue from operations in such periods. We have derived a portion of such revenues from exports to limited number of markets, amongst others, Nepal, Bhutan, Bangladesh, China, Japan and Dubai. Our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease, such as the COVID-19 pandemic. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets or enter into new markets could adversely affect our business, prospects, results of operations and financial condition.

34. ***Competition from other materials or changes in the products or manufacturing processes of customers that use our steel products, could reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.***

In many applications, steel competes with other materials that may be used as substitutes, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating or creating incentives for the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could significantly reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.

In addition, the steel market is characterized by evolving technology standards that require improved quality, changing customer specifications and wide fluctuations in product supply and demand. The products or manufacturing processes of the customers that use our steel products may change from time to time due to improved technologies or product enhancements. These changes may require us to develop new products and enhancements for our existing products to keep pace with evolving industry standards and changing customer requirements. If we cannot keep pace with market changes and produce steel products that meet our customers' specifications and quality standards in a timely and cost-effective manner, our business, results of operations, financial condition and prospects could be materially adversely affected.

35. ***Insurance coverage obtained by us may not adequately protect us against unforeseen losses.***

We maintain insurance coverage in accordance with industry standards that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We have obtained standard fire and special perils policies for our Sambalpur and Jamuria manufacturing plants, while our Mangalpur plant is covered under an industrial all risk policy which provides for various covers including fire, machinery breakdowns, business interruptions, earthquakes. For our Jamuria manufacturing plant, we have obtained a machinery breakdown insurance policy. We have also obtained marine cargo open policies for our finished products including metal sheets, TMT bars, billets, silico manganese, ferro manganese, aluminium foil of different thickness, among others. Further, we have obtained a fidelity guarantee policy and money insurance for carrying of cash and money in transit. There can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations. Further, the total insurance coverage amount of our Company and our Subsidiary, SSPL, was ₹ 4,302.12 crore, as of September 30, 2023 and the percentage of coverage of insurance *vis-à-vis* our total assets calculated as the sum of written down value of property, plant and equipment and inventories was 69.13%, as of September 30, 2023, while the percentage of coverage of insurance *vis-à-vis* our net worth was 62.23%, as of September 30, 2023 and the percentage of coverage of insurance *vis-à-vis* our capital employed was 47.58%, as of September 30, 2023.

36. ***There are outstanding legal proceedings against our Company, Subsidiaries, Directors and Promoters which may adversely affect our business, financial condition and results of operations.***

There are outstanding legal proceedings against our Company, Subsidiaries, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations.

A summary of the outstanding proceedings against our Company, Subsidiaries, Directors and Promoters as disclosed in this Preliminary Placement Document, to the extent quantifiable, have been set out below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in crore)*
Company					
By the Company	4	N.A.	N.A.	1	7.31**
Against the Company	NIL	34	3	2	55.84^
Directors					
By the Directors	NIL	N.A.	N.A.	NIL	NIL
Against the Directors	2	NIL	NIL	NIL	NIL
Promoters					
By the Promoters	10	N.A.	N.A.	1	16.75
Against the Promoters (including the individuals Promoters)	1	33	NIL	NIL	12.07
Subsidiaries					
By the Subsidiaries	16	N.A.	N.A.	3	349.70#
Against the Subsidiaries	2	38	1	NIL	338.93

**To the extent quantifiable.*
*** Including USD 2.45 million as an amount involved in an arbitration proceeding was initiation by our Company against Fomento Commodities Pte. Limited*
^Including USD 3.98 million as an amount involved in an arbitration proceeding was initiation by Fomento Commodities Pte. Limited against our Company
#Including USD 3.98 million as an amount involved in an arbitration proceeding was initiation by SSPL against Fomento Commodities Pte. Limited

For further details of the outstanding litigation proceedings involving the Company, Directors, Promoters and Subsidiaries, please see the section entitled "*Legal Proceedings*" beginning on page 277.

We cannot provide assurance that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

37. ***The success and wide acceptability of our products is largely dependent upon certain quality accreditations which are valid for a limited time period and to maintain an effective quality control system. An inability to ensure the renewal of these quality accreditations in a timely manner or at all may adversely affect our business prospects and financial performance.***

Our business requires obtaining and maintaining quality certifications and accreditations from independent certification entities. Our Sambalpur, Jamuria and Giridih manufacturing plants have obtained the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 quality certifications. In addition, our Giridih manufacturing plant has also obtained ISO 22000:2018 quality certification. Unit II of our manufacturing plant in Pithampur has also obtained ISO 9001:2008 and ISO 14001:2004 quality certifications. For further information, see section entitled "*Our Business*" beginning on page 187, respectively. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

The quality of our products is critical to the success of our business, and quality depends on the effectiveness of our quality control system, which, in turn, depends on a number of factors, including the design of our system, our quality control training program, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. As a result, our reputation, business, results of operations and financial condition could be materially and adversely affected.

38. ***Our inability to comply with the requirement of maintaining minimum public shareholding in accordance with the Securities Contracts (Regulation) Rules, 1957 may result in adverse consequences.***

In accordance with the SCRR, our Company is required to achieve at least 25% public shareholding within three years from the date of listing of our Equity Shares on the Stock Exchanges, i.e. on or before June 24, 2024, in the manner as specified under the SCRR and other applicable laws. This Issue is being undertaken towards meeting such compliance. However, we may not achieve 25% public shareholding post Allotment in this Offer. Subsequently, our Promoters and Promoter Group may be required to further dilute their shareholding (in accordance with the methods prescribed under applicable laws) to ensure that our Company achieves 25% public shareholding on or before the timelines as mentioned under the SCRR. For further details, see "*Placement*" beginning on page 249. There can be no assurance that any future issuance of Equity Shares by the Company or sale of Equity Shares by the Promoters or Promoter Group would be at a price higher than the price at which Equity Shares may be issued pursuant to this Issue or will not adversely affect the trading price of our Equity Shares. Further, we cannot assure you that our Company will be able to achieve minimum public shareholding within three years from the date of listing of our Equity Shares and failure to comply with the minimum public shareholding requirements may result in certain adverse consequences and may also result in penal action being taken against us and our Promoters.

39. ***Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.***

Our operations are subject to extensive government regulation and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including various environmental approvals, factories licenses, labour related and tax related approvals.

As on date of the Preliminary Placement Document, certain of our approvals are pending. For example, we have applied for consent to operate for red and orange category industries, consent for emission/ continuation of emission before the Pollution Control Board, Odisha and Fire NOC for our Company. Further, we have also applied for renewal application for the explosive license with the Deputy Chief Controller of Explosives. Further, we are also in the process of applying for metrological licenses that have expired.

There can be no assurance that the relevant authorities will issue or rectify such permits or approvals in time or at all. We cannot assure you that such approval will be granted and this may result in delay of our expansions if such approval is not obtained. Failure or delay in obtaining or maintaining or renew the required permits or approvals within applicable time or at all may result in interruption of our operations. Further, the relevant authorities may initiate penal action against us, restrain our operations, close our factories, impose fines/ penalties or initiate legal proceedings for our inability to renew/ obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business, financial condition and profitability. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, or suffer disruption in our activities, any of which could adversely affect our business.

40. ***We are dependent on a number of key personnel, including our senior management or people with technical expertise, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are led by our individual Promoters, Mahabir Prasad Agarwal, Brij Bhushan Agarwal and Sanjay Kumar Agarwal, who have several decades, of experience in the steel and ferro alloys industry, and have been instrumental in the growth of our Company. We are dependent on our Directors, Key Managerial Personnel, Senior Management Personnel and other key personnel with technical expertise for setting our strategic business direction and managing our business. Our Directors , Key Managerial Personnel, Senior Management Personnel have extensive experience in the steel industry in India. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. The loss of the services of our Directors, Key Managerial Personnel, Senior Management Personnel or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. The attrition rate of our employees across levels for Fiscals 2021, 2022 and 2023 was 13.06%, 14.72% and 13.65%, respectively.

41. ***We may be required to undertake additional financial risk in respect of our joint venture operations and may have limited ability to enforce our rights in such joint venture operations.***

As on the date of this Preliminary Placement Document, we have no formal arrangement with Kalinga Energy and Private Limited ("**KEPL**"), which is authorised to carry out the business of generating electrical power by conventional, non-conventional methods including coal, gas lignite, oil, bio-mass, waste, thermal, solar, hydel, geo-hydel, wind and tidal waves. Till date, the Material Subsidiary has invested an aggregate amount of ₹ 0.13 crore in KEPL towards business of generating electrical power. There can be no assurance that we will not face any issues in respect of the management of KEPL or that we will be able to enforce any rights in respect of our investment in KEPL in the event of any dispute. Further, we may be liable for any breach or inability of our partner to continue with the activities of KEPL, due to financial, legal or other difficulties, which in turn could result in us being required to bear increased and, at times, sole responsibility for the undertaking operations and therefore a greater share of the financial risk. In the event that a claim, arbitration award or judgment is awarded against the joint-venture or the consortium, we may be responsible to the client for the entire claim, irrespective of whether or not we are indemnified by our consortium partner.

42. *We may not be able to derive the expected benefits of the deployment of the Net Proceeds, in a timely manner, or at all.*

Our Company intends to use a certain portion of the Net Proceeds for the purposes of repayment/ prepayment in full or in part, of certain of the borrowings availed by our Company, on a consolidated basis and balance portion for General corporate purposes (provided however, that the amount for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue).

The details in this regard have been disclosed in the section entitled "*Use of Proceeds*" beginning on page 78. While the utilisation of Net Proceeds for repayment/ prepayment of the borrowings, in full or in part, would help us to reduce our cost of debt and enable the utilisation of our funds for further investment in business growth and expansion, these objects will not result in the creation of any tangible assets for our Company and SSPL, our Subsidiary. Further, while a certain portion of the Net Proceeds of the Offer would be utilized to repay/ pre-pay any of the loans availed by SSPL, the proportion of deployment of the Net Proceeds into SSPL in equity and/or debt has not been finalized as on the date of this Preliminary Placement Document.

43. *Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.*

We intend to use the Net Proceeds for the purposes described in section entitled "*Use of Proceeds*" beginning on page 78. The objects of the Offer have not been appraised by any bank or financial institution. Whilst a Monitoring Agency has been appointed for monitoring utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on current conditions, internal management estimates based on the terms of our current financing documents and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, pending utilization of Net Proceeds towards the Use of Proceeds, our Company will have to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, in a manner as may be approved by our Board. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds.

44. *Our Promoters own minority stakes in some of our Subsidiaries and their interest may conflict with interest of our Company.*

Our Promoters hold minority stake of the equity shares in some of our Subsidiaries. We cannot assure you that the interest of our Promoters in our Subsidiaries will be similar to ours or that we will be able to suitably resolve any conflict of interest without an adverse effect on our business or operations.

45. ***Our Subsidiary, Shyam SEL and Power Limited is the recipient of various subsidies and incentives for our Jamuria and Mangalpur manufacturing plants under the West Bengal Incentive Scheme, 2004. We cannot assure that we will continue to receive such subsidies and incentives in the future.***

Our Subsidiary, Shyam SEL and Power Limited is the recipient of various subsidies and incentives for our Jamuria and Mangalpur manufacturing plants under the West Bengal Incentive Scheme, 2004 ("**Incentive Scheme**"). These subsidies and incentives include state capital investment subsidy, industrial promotion assistance, employment generation subsidy and waiver of electricity duty by the West Bengal Industrial Development Corporation Limited. These subsidies and incentives are for a defined time period and can be withdrawn by the WBIDC at any time. We cannot assure that we will continue to receive such subsidies and incentives in the future. Further, the Incentive Scheme was applicable from 2007 to 2017 and we are entitled to receive an amount of ₹ 33.67 crore under the said scheme. However, as of September 30, 2023, we had received an amount of ₹ 0.23 crore in relation to the Incentive Scheme. There can be no assurance regarding the time period in which we will receive the pending balance from the relevant authorities.

46. ***We may require additional equity or debt in the future in order to continue to grow our business, which may not be available on favorable terms or at all.***

Our strategy to grow our business may require us to raise additional funds for our working capital or long term business plans. We cannot assure you that such funds will be available on favorable terms or at all. Additional debt financing may increase our financing costs. Our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to raise additional funds on favorable terms or at all as and when required, our business, financial condition, results of operations, cash flows and prospects could be adversely affected.

47. ***Technology failures could disrupt our operations and adversely affect our business operations and financial performance.***

IT systems are critical to our ability to manage our operations. Our IT systems enable us to coordinate our operations, from planning, production scheduling and raw material ordering, invoicing, customer relationship management and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. Our IT systems, and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, telecommunications failures, computer viruses, hackers and other security issues. IT interruptions and system failures could have a material and adverse effect on our ability to realise the anticipated improvements in productivity and efficiency.

A fault in or disruption to our information technology systems could cause disruption to our business. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete. Failure to keep up to date with such changes could result in our competitors having an advantage over us, which could impact negatively upon both our financial performance and our reputation. Any significant upgrade to or replacement of our systems could require considerable capital expenditure, which could affect our results of operations and financial condition.

48. ***Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

Due to unavailability of suitable updated reports in relation to all the segments/ value chain of the industry in which we operate, we have availed the services of an independent third party research agency, CRISIL Limited, to prepare an industry report titled "*Market assessment and outlook across Steel industry value chain*" dated August 2023 for purposes of inclusion of such information in this Preliminary Placement Document. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, any of the BRLM or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document.

49. ***Certain original records are not available and accordingly, alternate documents and records have been relied upon in relation to certain disclosures made in the Preliminary Placement Document.***

Due to the passage of time, given that these are old records, certain documents in relation to the education qualifications and share transfers of some of our Directors and Promoters, are unavailable. We have relied on mark sheets as documents evidencing educational qualifications for some of our Directors, Sanjay Kumar Agarwal, Deepak Agarwal, Dev Kumar Tiwari and Kishan Gopal Baldwa and our Senior Management Personnel Sumit Chakraborty. Further, Mahabir Prasad Agarwal, our Chairman, is unable to trace documents in relation to his educational qualifications. We cannot assure you that the information relating to such Directors and Senior Management Personnel included in "*Board of Directors and Senior Management*" are true and accurate.

50. ***We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

51. ***India has stringent labour legislations that protect the interests of workers, and if our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected. Further, if we are unable to negotiate with employees, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits.

52. ***Currency exchange rate fluctuations may have an adverse effect on our results of operations and value of the Equity Shares.***

Our financial information is presented in Indian Rupees. However, we generate a portion of our sales internationally through export and sales outside of India. We also import certain raw materials and capital goods for our operations. These imports and exports are denominated in foreign currencies, primarily in U.S. dollars. Although we follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations.

Further, due to the time gap between the accounting of sales and actual payments, the foreign exchange rate at which the sale is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of Indian Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations, may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

The exchange rate between the Indian Rupee and the USD, Euro and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Indian Rupee and other currencies may affect the value of a non-resident investor's investment in the Equity Shares.

A non-resident investor may not be able to convert Rupee proceeds into USD, Euro or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Rupee, if United States or other non-resident investors analyze our value based on the USD or Euro equivalent of our financial condition and results of operations. For historical exchange rate fluctuations, see section entitled "*Exchange Rates Information*" beginning on page 21.

53. *Some of our Directors who are Promoters hold Equity Shares in our Company and Subsidiaries and are therefore interested in the Company's and Subsidiaries' performance in addition to their remuneration and reimbursement of expenses.*

Certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company and Subsidiaries. We cannot assure you that our Directors will exercise their rights as shareholders to the benefit and best interest of our Company. For details on the interest of the Directors of our Company and Subsidiaries, other than reimbursement of expenses incurred or normal remuneration or benefits, see section entitled "*Board of Directors and Senior Management*" beginning on page 217.

54. *Information relating to our installed capacities and capacity utilization of our manufacturing plants included in this Preliminary Placement Document are based on various assumptions and estimates and future production and capacity utilization may vary.*

Information relating to the installed manufacturing capacity, capacity utilization of our manufacturing plants included in this Preliminary Placement Document are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity and capacity utilization of our manufacturing plants. These assumptions and estimates relating to the installed manufacturing capacity include the standard capacity calculation practice of steel industry after examining the calculations and explanations provided by the Company and the capacities and other ancillary equipment installed at the manufacturing plants. Further, the assumptions and estimates taken specifically into account include the following: (1) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year; (2) billet: capacity of each furnace in TPH X (24 hours per day/ heat cycle) X 330 days per year; 1 heat cycle = 3 hours; (3) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced. Further, capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing plants as of at the end of the relevant period.

Actual production levels and future capacity utilization rates may vary significantly from the estimated production capacities of our manufacturing plants and historical capacity utilization rates. Actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our manufacturing plants. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information for our existing manufacturing plants included in this Preliminary Placement Document. For further information, see sections entitled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on pages 187 and 91, respectively.

55. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders. Further, our Promoters will continue to retain a majority shareholding in us after the Issue, which will allow them to exercise significant influence over us.***

We have in the past entered into transactions with certain of our Promoters, relatives of our Promoters and Directors While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. In addition, certain portions of land on which our Jamuria manufacturing plant is located is owned by a Promoter Group entity and there is no formal relationship/arrangement for use of this land. Such related party transactions may potentially involve conflicts of interest.

In Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, the aggregate amount of such related party transactions was ₹ 2,286.51 crore, ₹ 3,146.24 crore, ₹ 4,975.26 crore and ₹ 2534.64 crore, respectively. For details on our related party transactions, see section entitled "*Financial Statements*" beginning on page 287. While we have adopted a policy titled "Related Party Transactions Policy" read together with the Code of Conduct for Directors and Senior Management Executives, to address situations of conflict involving Directors and Promoters, especially in respect of related party transactions and those giving rise to conflict of interest, we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, after the completion of the Issue, our Promoters will continue to hold approximately [●] % of our issued and paid-up equity share capital. Accordingly, our Promoters will continue to have significant influence over our business and all matters requiring Shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of the Promoters. Further, the Promoters' shareholding may limit the ability of a third party to acquire control of our Company. Additionally, our Promoters hold minority stake of the equity shares in some of our Subsidiaries. We cannot assure you that the interest of our Promoters in our Subsidiaries will be similar to ours or that we will be able to suitably resolve any conflict of interest without an adverse effect on our business or operations.

56. ***We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.***

As of September 30, 2023, our contingent liabilities were as follows:

(*in ₹ crore*)

Particulars	As of September 30, 2023
Unredeemed bank guarantees on behalf of the joint venture company	
Other unredeemed bank guarantees	201.68
Bills discounted with banks	9.89
Demands/Claims by various Government authorities and others not acknowledged as debts:	
(i) Excise duty	113.36
(ii) Service tax	0.09
(iii) Custom duty	14.94
(iv) Sales tax/VAT/GST	2.30
(v) ESI	0.14
Total	**342.40**

For further information on our contingent liabilities, see "*Financial Statements*" on page 287.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

57. ***Our ability to pay dividends depends on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Our Board approved a formal dividend policy of our Company, at its meeting dated May 15, 2018, which includes parameters to be considered by our Board for declaration of dividend, with an objective of rewarding the shareholders of our Company. Our Company has declared and paid dividends on the Equity Shares in Fiscal 2021, 2022 and 2023. For details, please see the section entitled "*Dividends*" beginning on page 90. Further, dividend has been declared or paid by our Company in the current Fiscal. Further, our Material Subsidiary, Shyam SEL and Power Limited has not declared and paid any dividends.

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. For details of dividend paid by our Company in the past, see section entitled "*Dividends*" beginning on page 90.

58. ***Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

(in ₹ crore)

Particulars	Fiscal/ Period ended			
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**September 30, 2023**
Net cash flow from/ (used in) from operating activities	1,303.95	1,561.20	1,506.86	61.42
Net cash flow from/ (used in) investing activities	(796.89)	(1,799.94)	(1,954.95)	(838.85)
Net cash flow from/ (used in) financing activities	(372.92)	166.80	430.96	718.10
Effect of foreign exchange fluctuation	-	-	-	-
Net changes in cash and cash equivalents	134.14	(71.94)	(17.12)	(59.33)

We may in the future experience negative operating cash flows. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 91.

59. ***If we are not able to successfully identify and integrate any future acquisitions, it could have a material adverse effect on our growth strategy, business, financial condition, results of operations and prospects.***

We intend to explore the possibility of growing inorganically by acquiring distressed steel plants in order to increase our revenues and profitability. The completion of acquisitions and, if completed, the successful integration of such newly acquired steel plants into our operations may be difficult for a variety of reasons, including differing culture or management styles, poor records or internal controls and difficulty in establishing immediate control over cash flows. As a result, potential future acquisitions pose significant risks to our existing operations, including:

- additional demands placed on our senior management, who are also responsible for managing our existing operations;

- increased overall operating complexity of our business, requiring greater personnel and other resources;
- additional cash expenditures to integrate acquisitions;
- incurrence of additional debt to finance acquisitions and higher debt service costs related thereto; and
- the need to attract and retain sufficient numbers of qualified management and other personnel.

Moreover, when making acquisitions it may not be possible for us to conduct a detailed investigation of the nature of the assets being acquired due to, for example, time constraints in making acquisition decisions and other factors. We may also become responsible for additional liabilities or obligations not foreseen at the time of an acquisition. Moreover, even if we are successful in integrating newly acquired assets and acquiring additional assets, expected synergies and cost savings may not materialise, resulting in lower than expected benefits from such acquisitions.

60. *Our Statutory Auditors have included a matter of emphasis in their audit report on financial statements as at and for the year ended Fiscals 2022 and 2021.*

Our Statutory Auditors have included certain matter of emphasis in their audit reports on our financial statements as at and for Fiscals 2022 and 2021. This is in the nature of the impact of the COVID-19 pandemic on our financial performance. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Reservations, Qualifications and Adverse Remarks*" on page 117. There can be no assurance that any similar remarks or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

61. *Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. The European Union, Switzerland, Japan, Korea, Australia and the United Nations along with other governments and international or regional organizations also administer similar economic sanctions. We provide services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Iran. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

EXTERNAL RISK FACTORS

Risks Relating to India

62. *A slowdown in economic growth in India could cause our business to suffer.*

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

63. *Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects.*

Our business depends substantially on global economic conditions. During Fiscal 2021, 2022 and 2023 our sales from exports (excluding deemed exports), as a percentage of our revenue from operations were 16.02%, 16.92% and 10.03%, respectively. A significant number of our customers and the majority of the end users of our products are located and primarily operating in Europe, North and South America, and Asia and some of them were adversely impacted by the economic downturn in these economies, disruption in banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, financial condition and results of operations.

In February 2022, hostilities between Russia and the Ukraine commenced, which has led stock, commodities and foreign exchange markets worldwide to fluctuate. In addition, the market price of oil has risen sharply since the commencement of hostilities in the Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, financial condition, results of operations and prospects may be adversely affected.

64. ***Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, results of operations and prospects.

65. ***Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.***

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing and R&D facilities or other assets which are concentrated in one location. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

Our operations including our manufacturing facilities and research and development activities may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team’s ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, financial condition and results of operations.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Recently there have been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India's border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

66. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

67. *Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document.*

Our Financial Statements as of, and for the years ended, March 31, 2021, 2022 and 2023 incorporated in this Preliminary Placement Document have been prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

68. *Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, financial condition, results of operations and cash flows.*

Our customers' and our borrowing costs and access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing, if any. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could adversely affect our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

69. *The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.*

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our chemical products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

70. ***Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. Additionally, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, please see section entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 250 and 260.

In terms of the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of a transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

71. ***It may not be possible for investors to enforce any judgment obtained outside India against us, the Book Running Lead Manager or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a limited liability company incorporated under the laws of India. Our Board of Directors comprises members all of whom are Indian citizens. All of our Key Managerial Personnel are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

72. ***Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.***

The Competition Act seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011.These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners i.e., entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

Risks relating to our Equity Shares and the Issue

73. ***An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.***

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Issue of the Equity Shares, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

74. ***Any future issuance of the Equity Shares or sales of the Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of the Equity Shares.***

A future issuance of Equity Shares by us may dilute your shareholding in the Issuer. There are no restrictions on our ability to issue further Equity Shares, including allotment of any securities to the Promoters, other than as stipulated under applicable laws. The issue and allotment of Equity Shares by us to third parties would result in a dilution of your shareholding and rights in the Issuer.

Moreover, any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares. As a publicly traded company, there is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in the Issuer, which could lead to a negative sentiment in the market regarding the Issuer that could in turn impact the value of the Equity Shares.

75. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favour of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction the Investor is in does not permit them to exercise their pre-emptive rights without us filing a Preliminary Placement Document or registration statement with the applicable authority in the jurisdiction they are in, they will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, you may not be able to exercise your pre-emptive rights in relation to such an offering. To the extent that Investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

76. ***The price of the Equity Shares may be volatile.***

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, results of operations and financial condition. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

77. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

78. ***Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations and financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in this Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares.

The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

79. *Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

80. *Our Equity Shares are quoted in Indian Rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupees and risks associated with the conversion of Indian rupee proceeds into foreign currency.*

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian Rupees against the US dollar and other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

81. *Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 255,080,688 Equity Shares have been issued, subscribed, and paid up. The Equity Shares have been listed on BSE and NSE since June 24, 2021. The Equity Shares are listed and traded on BSE under the scrip code 543299 and the symbol SHYAMMETL and are listed and traded on NSE under the symbol SHYAMMETL.

On January 1, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 641.90 and ₹ 641.90 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

BSE									
Fiscal	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crore)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ crore)**	**Average price for the year (₹) (3)**
2023	371.55	April 4, 2022	73,635	2.73	255.50	March 28, 2023	11,982	0.31	301.11
2022	444.30	July 22, 2021	3,56,845	15.93	291.05	February 24, 2022	1,07,992	3.21	360.43
2021*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(Source: www.bseindia.com)
**Our Company was listed on BSE on June 24, 2021*
Note:
1. *High and low prices are based on the daily closing prices for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a year, average price for the year represents the average of the closing prices on each day of each year.*

NSE									
Fiscal	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crore)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ crore)**	**Average price for the year (₹) (3)**
2023	371.00	April 6, 2022	3,57,716	13.28	255.40	March 28, 2023	1,69,534	4.39	301.14
2022	445.00	July 22, 2021	28,61,222	127.82	291.25	February 24, 2022	6,26,063	18.66	360.43
2021*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(Source: www.nseindia.com)
**Our Company was listed on NSE on June 24, 2021.*
Note:
1. *High and low prices are based on the daily closing prices for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a year, average price for the year represents the average of the closing prices on each day of each year.*

The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month, year	High (₹) (1)	Date of high (2)	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ crore)	Low (₹) (1)	Date of low (2)	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ crore)	Average price for the month (₹) (3)	Equity Shares traded in the month	
										Volume	Turnover (₹ crore)
December, 2023	626.90	December 29, 2023	35,772	2.22	468.35	December 01, 2023	53,759	2.52	541.08	1,902,349	104.24
November, 2023	473.00	November 13, 2023	65,191	3.10	430.95	November 02, 2023	36,331	1.57	452.50	626,581	28.71
October, 2023	470.95	October 16, 2023	89,463	4.18	433.55	October 23, 2023	76,612	3.37	447.36	870,647	39.27
September, 2023	487.55	September 05, 2023	98,898	4.80	431.15	September 21, 2023	49,785	2.16	452.03	1,423,416	64.48
August, 2023	478.45	August 28, 2023	11,998	0.58	393.8	August 2, 2023	48,985	1.93	449.61	1,459,179	65.79
July, 2023	402.75	July 27, 2023	70,744	2.87	348.45	July 13, 2023	33,236	1.16	373.57	796,259	29.96

(Source: www.bseindia.com)

NSE*											
Month, year	High (₹) (1)	Date of high (2)	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ crore)	Low (₹) (1)	Date of low (2)	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ crore)	Average price for the month (₹) (3)	Equity Shares traded in the month	
										Volume	Turnover (₹ crore)
December, 2023	627.80	December 29, 2023	2,101,797	130.86	468.80	December 1, 2023	667,519	31.32	541.22	3,82,55,238	2,112.82
November, 2023	473.00	November 13, 2023	1,090,305	51.86	431.85	November 02, 2023	508,388	21.97	452.51	12569329.00	576.67
October, 2023	470.65	October 16, 2023	2,343,300	109.81	433.55	October 11, 2023	633,336	27.69	447.47	1,82,02,669	823.74
September, 2023	486.50	September 05, 2023	897,162	43.56	431.35	September 21, 2023	748,450	32.42	452.25	3,62,02,692	1,629.66
August, 2023	478.15	August 28, 2023	345,052	16.56	393.40	August 2, 2023	304,034	11.97	449.57	1,79,28,454	809.73
July, 2023	403.00	July 27, 2023	564,199	22.92	348.35	July 13, 2023	157,258	5.51	373.77	91,49,814	348.12

(Source: www.nseindia.com)

Note:

1. *High and low prices are based on the daily closing price, for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a month, average price for the month represents the average of the closing prices on each day of each month.*

The following table set forth the details of the number of Equity Shares traded on BSE and NSE and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ crore)	
	BSE	NSE	BSE	NSE
2023	44,27,771	3,98,52,187	135.92	1,229.33
2022	1,85,60,950	19,17,28,039	707.97	7,445.64
2021*	N.A.	N.A.	N.A.	N.A.

(Source: www.bseindia.com and www.nseindia.com)

** Our Company was listed on the Stock Exchanges on June 24, 2021*

The following tables set forth the market price on the Stock Exchanges on July 28, 2023 being the first working day following the approval of the Board for this Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ crore)**
400.80	403.85	384.90	393.20	40592	1.60

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ crore)**
403	403.70	384.05	393.70	903312	35.61

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue will aggregate up to ₹ [●] crore. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue, will be approximately ₹ [●] crore ("**Net Proceeds**").

Purpose of this Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds for the following:

1. Repayment and/or prepayment in full or in part of certain outstanding borrowings availed by our Company;

2. Investment into our Material Subsidiary, SSPL, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by SSPL; and

3. General corporate purposes.

(collectively, referred to herein as the "**Objects**").

Our Company is also undertaking this Issue towards achieving compliance with minimum public shareholding in terms of the SCRR.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

(in ₹ crore)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds (up to)
1.	Repayment and /or prepayment, in full or in part, of certain borrowings availed by our Company, on a consolidated basis	574.00
2.	Investment into our Material Subsidiary, SSPL, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by SSPL	632.00
3.	General corporate purposes(1)	[●]
Total Net Proceeds		**[●]**

(1) *The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds*

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of the memorandum of association of our Company enables it to undertake the activities for which the borrowings were availed by it and which are proposed to be repaid or prepaid from the Net Proceeds. Further, the main objects clause and objects incidental or ancillary to the attainment of the main objects clause of the memorandum of association of SSPL enables it to undertake the activities for which the borrowings were availed by it and which are proposed to be repaid or prepaid from the Net Proceeds.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ crore)

Sr. No	Particulars	Amount which will be financed from Net Proceeds (up to)	Estimated deployment of the Net Proceeds during Fiscal 2024 (up to)
1.	Repayment and /or prepayment of certain borrowings availed by our Company, on a consolidated basis	574.00	574.00

Sr. No	Particulars	Amount which will be financed from Net Proceeds (up to)	Estimated deployment of the Net Proceeds during Fiscal 2024 (up to)
2.	Investment into our Material Subsidiary, SSPL, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by SSPL	632.00	632.00
3.	General corporate purposes[(1)]	[●]	[●]
	Total	[●]	[●]

[(1)] *The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, which are subject to change in the future, and have not been appraised by any bank or financial institution or any other independent agency.

Our fund requirements and proposed deployment schedule for the Net Proceeds are based on current general economic and market conditions and business needs, and the actual deployment of funds at each stage will depend on a number of factors, including our financial condition, business and strategy or external circumstances such as financial and market conditions, competitive environment, inflation, employment and disposable income levels, demographic trends, technological changes, changing customer preferences, interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control.

Since, the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

Subject to compliance with applicable laws, in case of any variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds available in respect of the other purposes for which funds are being raised in the Issue (except towards general corporate purposes).

Details of the Object of the Net Proceeds

1. Repayment and /or prepayment of certain borrowings, in full or part, availed by our Company

Our Company has entered into various financing arrangements, including borrowings in the form of long-term loans, cash credit facilities and working capital demand loans, among others. As on December 22, 2023, we had total outstanding borrowings (i.e. the sum of our non-current and current borrowings) aggregating to ₹ 1,236.65 crore.

Our Company proposes to utilise an estimated amount of up to ₹ 574.00 crore from the Net Proceeds towards full or partial repayment or pre-payment, in full or in part, of certain outstanding unsecured and secured borrowings availed by our Company. The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings in part or full, would not exceed ₹ 574.00 crore.

The following table provides details of certain borrowings availed by our Company, as on December 22, 2023, which we propose to prepay or repay, fully or in part, from the Net Proceeds:

Sr. No.	Name of Lender	Nature of Borrowing	Sanctioned amount as at December 22, 2023 (in ₹ crore)	Outstanding amount as at December 22, 2023 (in ₹ crore)	Interest Rate (% p.a.)	Purpose of raising the loan	Pre-payment penalty, if any
1.	State Bank of India	Working Capital	250.00	120.00	8.60%	Working Capital Requirement	-
2.	Punjab National Bank	Working Capital	400.00^^	399.65	7.30%	Working Capital Requirement	-
3	Indian Bank	Working Capital	95.00	25.00	8.55%	Working Capital Requirement	-
4	HDFC Bank	Working Capital	100.00	60.00	8.34%	Working Capital Requirement	-
Total			**845.00**	**604.65**			

**As certified by B Nath & Company, Independent Chartered Accountant, pursuant to their certificate dated January 2, 2024.*
^^Includes ₹ 250.00 crores sanctioned for fund based working capital and ₹ 150.00 crore for non fund based working capital sanctioned under the consortium agreement, which are interchangeable for procurement of raw material only.

For the purposes of the Issue, our Company has obtained necessary consent from its lenders, as is respectively required under the relevant facility documentation for undertaking activities relation to this Issue.

2. Investment into our Material Subsidiary, SSPL, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by SSPL

Our Company proposes to invest up to ₹ 632.00 crore from the Net Proceeds in SSPL in the form of investment in either equity or debt instruments or in any other manner as may be mutually agreed between our Company and SSPL in accordance with applicable law. The actual mode of such deployment has not been finalised as on the date of this Preliminary Placement Document. The selection of borrowings proposed to be repaid/pre-paid, in full or part, amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan.

Details and utilisation

The following table provides the details of borrowings availed by SSPL as of December 22, 2023, which we have identified to repay or prepay, in full or in part, from the Net Proceeds:

Sr. No.	Name of Lender	Nature of Borrowing	Sanctioned amount as at December 22, 2023 (in ₹ crore)	Outstanding amount as at December 22, 2023 (in ₹ crore)	Interest Rate (% p.a.)	Purpose of raising the loan	Pre-payment penalty, if any
1.	State Bank of India	Working Capital	250.00	172.00	8.60%	Working Capital Requirement	-
2.	Punjab National Bank	Working Capital	400.00^^	400.00	7.30%	Working Capital Requirement	-
3	Indian Bank	Working Capital	95.00	25.00	8.55%	Working Capital Requirement	-
4	HDFC Bank	Working Capital	100.00	35.00	9.15%	Working Capital Requirement	-
Total			**845.00**	**632.00**			

** As certified by B Nath & Company, Independent Chartered Accountant, pursuant to their certificate dated January 2, 2024.*
^^Includes ₹ 250.00 crores sanctioned for fund based working capital and ₹ 150.00 crore for non fund based working capital sanctioned under the consortium agreement, which are interchangeable for procurement of raw material only.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating up to ₹ [●] crore, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

Monitoring Utilization of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Rating Agency Private Limited as the Monitoring Agency for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 100 crore. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director’s report, after placing the same before the Audit Committee.

Interim Use of Proceeds

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and final listing and trading approvals are received from each of the Stock Exchanges and the corresponding return of Allotment is filed with the RoC. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Other Confirmations

As permissible under applicable laws, our Company’s management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us.

Neither our Promoters or our Promoter Group or our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters or our Promoter Group nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly.

Since the Issue is only made to Eligible QIBs, our Promoters, Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management Personnel.

CAPITALISATION STATEMENT

The following table sets forth the capitalisation of our Company, on a consolidated basis, as at September 30, 2023 and as adjusted to give effect to the receipt of the gross proceeds of this Issue.

This table should be read in conjunction with sections entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 43 and 91, respectively.

(in ₹ crore, except ratios)

Particulars	**Pre-Issue as at September 30, 2023**	**As adjusted for the Issue***
Total borrowings		
- Short-term borrowings	1,584.66	[●]
- Non-current borrowings (including current maturity)	395.12	[●]
Debt (A)	**1,979.78**	[●]
Total Equity		
- Equity Share capital	255.08	[●]
- Other equity	7,899.28	[●]
Total Equity (B)	**8,154.36**	[●]
Total capitalization (A+B)	**10,134.14**	**[●]**
Ratio: Debt / Total equity (A/B)	**0.24**	**[●]**

Notes: As per Unaudited Consolidated Financial Results of the Company

**The corresponding post-Issue capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the completion of the Issue and hence, the same have not been provided in the above statement.*

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Preliminary Placement Document, is set forth below:

(in ₹, except share data)

	Particulars	Aggregate value at face value#
A	**AUTHORISED SHARE CAPITAL**	
	40,00,00,000 Equity Shares	4,00,00,00,000
B	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL PRIOR TO THE ISSUE**	
	25,50,80,688 Equity Shares	2,55,08,06,880
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT (1)**	
	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] crore(1) (2)	[●]
D	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL AFTER THE ISSUE(2)**	
	[●] Equity Shares	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	7,82,25,31,133.00
	After the Issue (2)(3)	[●]

(1) *This Issue was approved by the Board of Directors on July 27, 2023. Subsequently, our Shareholders, through a special resolution passed, approved this Issue at the AGM held on September 21, 2023.*

(2) *To be determined upon finalization of the Issue Price.*

(3) *The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.*

#*Except for securities premium account*

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of allotment	No. of equity shares allotted	Face Value per equity share(₹)	Issue price/ per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares
December 10, 2002	50,000	10	10	Cash	Subscription to MoA(1)	50,000
April 30, 2003	4,65,000	10	30	Cash	Preferential issue(2)	515,000
December 29, 2003	3,03,000	10	100	Cash	Preferential issue(3)	818,000
March 31, 2005	1,59,55,000	10	10	Cash	Preferential issue(4)	16,773,000
March 31, 2006	1,04,80,000	10	10	Cash	Preferential issue(5)	27,253,000
March 31, 2007	75,00,000	10	10	Cash	Preferential issue(6)	34,753,000
March 31, 2008	32,86,000	10	100	Cash	Preferential issue(7)	38,039,000
March 31, 2009	53,63,000	10	100	Cash	Preferential issue(8)	43,402,000
December 6, 2010	28,62,317	10	-	Other than cash	Allotment pursuant to merger(9)	46,264,317
December 6, 2010	(1,46,20,000)	10	-	-	Cancellation on account of cross holding pursuant to merger(10)	31,644,317
March 31, 2012	17,00,000	10	100	Cash	Preferential issue(11)	33,344,317
March 31, 2012	5,00,000	10	100	Cash	Preferential issue(12)	33,844,317
December 28, 2012	36,22,000	10	110	Cash	Further allotment(13)	37,466,317
March 30, 2013	10,00,500	10	110	Cash	Preferential issue(14)	38,466,817
February 26, 2014	32,98,400	10	125	Cash	Preferential issue(15)	41,765,217
November 13, 2014	56,43,236	10	-	Other than cash	Allotment pursuant to merger(16)	47,408,453
November 13, 2014	(39,19,000)	10	-	-	Cancellation on account of cross	43,489,453

Date of allotment	No. of equity shares allotted	Face Value per equity share(₹)	Issue price/ per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares
					holding pursuant to merger(17)	
January 20, 2017	30,85,787	10	-	Other than cash	Allotment pursuant to merger(18)	46,575,240
January 20, 2017	(2,28,225)	10	-	-	Cancellation on account of cross holding pursuant to merger(19)	46,347,015
March 30, 2017	5	10	-	Other than cash	Allotment pursuant to merger(20)	46,347,020
March 30, 2017	3,75,000	10	186	Cash	Preferential issue(21)	46,722,020
June 20, 2018	18,68,88,080	10	-	-	Bonus issue in the ratio of four bonus shares for every one Equity Share held by the Shareholders(22)	233,610,100
June 21, 2021	2,14,70,588	10	306	Cash	Initial Public Offering of Equity Shares by the Company	255,080,688

(1) 7,500 Equity Shares were each allotted to Sanjay Agarwal, Bajrang Lal Agarwal, Brij Bhushan Agarwal, Mittu Agarwal and Mahabir Prasad Agarwal, 6,500 Equity Shares were allotted to Santosh Kumar and 6,000 Equity Shares were allotted to Dev Kumar Tiwari

(2) 55,000 Equity Shares were allotted to Dorite Tracon Private Limited, 140,000 Equity Shares were allotted to Conventary Commodeal Private Limited and 270,000 Equity Shares were allotted to S.A. Trading Co. Private Limited

(3) 15,000 Equity Shares were each allotted to Sulabh Resources Pvt. Ltd., Ulike Developers Pvt. Ltd., Rohan Finance & Securities Ltd., BKP Stock & Investment Pvt. Ltd. and Swarnaratna Investment Pvt. Ltd., 5,000 Equity Shares were each allotted to Bhagwat Kripa Trading (P) Ltd., Dhadhichi Trading & Holding Pvt. Ltd., Dhardihar Trading Pvt. Ltd., KBR Township Pvt. Ltd., Izone Marketing Pvt. Ltd., Torrent Agents Pvt. Ltd., Anindra Sales Pvt. Ltd. and Janpragati Commodities Pvt. Ltd., 30,000 Equity Shares were each allotted to Monalisha Suppliers Pvt. Ltd. and Scope Commodeal Pvt. Ltd., 25,000 Equity Shares were each allotted to Kalpataru Housefin & Trading Pvt. Ltd., Navneet Agencies Pvt. Ltd. and Bee Dee Traders Pvt. Ltd., 10,000 Equity Shares were each allotted to Bimex Exports Pvt. Ltd., Vikash Trade Comm Pvt. Ltd., Rich Commodities Pvt. Ltd.,Gunjan Commodities Pvt. Ltd. and Sethia Auto Financers Pvt. Ltd. and 3,000 Equity Shares were allotted to Aum Investment (India) Pvt. Ltd.

(4) 150,000 Equity Shares were each allotted to Amber Capital Market Pvt. Ltd., Dherer Textile Pvt. Ltd. and Pushpak Dealcomm Pvt. Ltd., 50,000 Equity Shares were each allotted to Aum Investment Pvt. Ltd. and B&P Financial Services Pvt. Ltd., 100,000 Equity Shares were each allotted to Autolec International Pvt. Ltd., Ellora Towers & Resources Pvt. Ltd., Prgayaraj Farms Pvt. Ltd. and Rishab Trade & Finance Pvt. Ltd., 130,000 Equity Shares were each allotted to BKP Stock & Investment Pvt. Ltd., Nippy Trading Pvt. Ltd. and Viresh Tradecom Pvt. Ltd., 1,235,000 Equity Shares were allotted to Conventary Commodeal Pvt. Ltd., 65,000 Equity Shares were allotted to Cubon Marketing Pvt. Ltd., 1,380,000 Equity Shares were allotted to Dorite Tracon Pvt. Ltd., 2,650,000 Equity Shares were allotted to Esskay Business Pvt. Ltd., 90,000 Equity Shares were allotted to Golcha Polymer Pvt. Ltd., 2,930,000 Equity Shares were allotted to Gunjan Commodities Pvt. Ltd., 535,000 Equity Shares were allotted to Janpragati Commodities Pvt. Ltd., 600,000 Equity Shares were allotted to Mansa Dealer Pvt. Ltd., 200,000 Equity Shares were allotted to H.K. Securities Pvt. Ltd., 4,000,000 Equity Shares were allotted to Narantak Dealcomm Ltd., 400,000 Equity Shares were allotted to Prasad Trading Co. Pvt. Ltd., 120,000 Equity Shares were allotted to Quantum Impex Pvt. Ltd. and 410,000 Equity Shares were allotted to Reliance Oil Co. Pvt. Ltd.

(5) 300,000 Equity Shares were each allotted to Acoustic Commercial Pvt. Ltd., Accurex Traders P Ltd. and Manifold Resources P Ltd., 250,000 Equity Shares were each allotted to Anand Brothers P Ltd. and Swarnaratna Investment P Ltd., 100,000 Equity Shares were each allotted to Auroplast Merchandise P Ltd., Continential Fiscal Management Ltd. and Shivarpan Mercantiles P Ltd., 450,000 Equity Shares were allotted to Banka Finance & Securities P Ltd., 50,000 Equity Shares were allotted to Blackpool Vinimay P Ltd., 150,000 Equity Shares were each allotted to Cubbon Marketing P Ltd, Neelachal Merketing P Ltd. and Megapode Vyapaar P Ltd., 60,000 Equity Shares were allotted to Dhanmal Vyapaar P Ltd., 330,000 Equity Shares were each allotted to Dherar Textilex P Ltd. and Quantum Impex P Ltd., 200,000 Equity Shares were each allotted to Dico Transport Corporation Ltd., Goldwin Merchandise P Ltd., Long Life Traders & Agency P Ltd., Murat Properties P Ltd. and Niraj Fiscal Services P Ltd., 400,000 Equity Shares were allotted to Izone Marketing P Ltd., 120,000 Equity Shares were each allotted to Negus Mercantile P Ltd. and Puspak Trading & Consultancy P. Ltd., 490,000 Equity Shares were allotted to Pluss Jet Finvest P Ltd., 550,000 Equity Shares were each allotted to Sulabh Resources P Ltd. and Ulike Developers P Ltd., 1,110,000 Equity Shares were allotted to Conventary Commodeal P Ltd. and 2,770,000 Equity Shares were allotted to Ponni Trexim P Ltd.

(6) 2,000,000 Equity Shares were each allotted to Dorite Tracon Pvt. Ltd., Eskay Business Pvt. Ltd. and Narantak Dealcomm Pvt. Ltd. and 1,500,000 Equity Shares were allotted to Conventary Commodeal Pvt. Ltd.

(7) 10,000 Equity Shares were each allotted to Blackpool Vinimay Pvt. Ltd., Enoch Mercantiles (P) Ltd. and Sachida Sales & Services Private Limited, 15,000 Equity Shares were each allotted to Dico Transport Corporation Ltd. and Sidlaw Commercials (P) Ltd., 20,000 Equity Shares were allotted to Swati Stocks & Securities (P) Ltd., 200,000 Equity Shares were allotted to Ponni Trexim Private Limited, 240,000 Equity Shares were allotted to Eskay Business Private Limited, 255,000 Equity Shares were allotted to Dorite Tracon Private Limited, 300,000 Equity Shares were allotted to Narantak Dealcomm Limited, 980,000 Equity Shares were allotted to Sree Panchami Consultants Pvt. Ltd. and 1,231,000 Equity Shares were allotted to Shaily Sales & Services Pvt. Ltd.

(8) 80,000 Equity Shares were allotted to Ponni Trexim (P) Ltd., 85,000 Equity Shares were allotted to Dorite Tracon Pvt. Ltd., 118,000 Equity Shares were allotted to Pitambar Commercial Co Pvt. Ltd., 160,000 Equity Shares were allotted to Conventary Commodeal Pvt. Ltd., 165,000 Equity Shares were allotted to Shubham Buildwell (P) Ltd., 500,000 Equity Shares were allotted to Narantak Dealcomm Limited, 1,155,000 Equity Shares were allotted to Shaily Sales & Services Pvt. Ltd., 1,400,000 Equity Shares were allotted to Sree Panchami Consultants Pvt. Ltd. and 1,700,000 Equity Shares were allotted to Jhawar Metacast & Engineers Pvt. Ltd.

(9) Pursuant to the scheme of amalgamation of Jhawar Metacast & Engineers Pvt. Ltd. and Manush Vinimay Pvt. Ltd. with our Company,

as approved by the High Court of Calcutta by order dated July 29, 2010, the shareholders of Jhawar Metacast & Engineers Pvt. Ltd. were allotted equity shares of our Company in the ratio 1:3, and the shareholders of Manush Vinimay Pvt. Ltd. were allotted equity shares of our Company in the ratio 1:1. Accordingly, 1,393,367 Equity Shares were allotted to Subham Capital Private Limited and 1,468,950 Equity Shares were allotted to Subham Buildwell Pvt. Ltd. For further details, please see the section entitled "History and Certain Corporate Matters" on page 158.

(10) Pursuant to the scheme of amalgamation of Jhawar Metacast & Engineers Pvt. Ltd. and Manush Vinimay Pvt. Ltd. with our Company, as approved by the High Court of Calcutta by order dated July 29, 2010, and Board resolution dated December 6, 2010, the cross-holding of 14,620,000 Equity Shares of both transferor companies in our Company were cancelled.

(11) 500,000 Equity Shares were each allotted to Dorite Tracon Pvt. Ltd., Pitambar Commercial Co. Pvt. Ltd. and Ponni Trexim Pvt. Ltd. and 200,000 Equity Shares were allotted to Eskay Business Pvt. Ltd.

(12) 500,000 Equity Shares were allotted to Ponni Trexim Private Limited

(13) 90,000 Equity Shares were allotted to Conventary Commodeal Pvt. Ltd., 454,500 Equity Shares were allotted to Shaily Sales & Services Pvt. Ltd., 295,000 Equity Shares were each allotted to Pitamber Commercial Co. Pvt. Ltd. and Dorite Tracon Pvt. Ltd., 229,000 Equity Shares were allotted to Eskay Business Pvt. Ltd., 624,500 Equity Shares were allotted to Ponni Trexim Pvt. Ltd., 727,000 Equity Shares were allotted to Kalpataru Housefin & Trading Pvt. Ltd., 363,000 Equity Shares were allotted to Narantak Dealcomm Ltd., 272,000 Equity Shares were each allotted to Gulmohar Complex Pvt. Ltd. and Nandlal Tie-Up Pvt. Ltd.

(14) 182,000 Equity Shares were allotted to Gulmohar Complex Pvt. Ltd. and 818,500 Equity Shares were allotted to Nandlal Tie-up Pvt. Ltd.

(15) 58,400 Equity Shares were allotted to Avam Trades & Services Pvt. Ltd., 88,000 Equity Shares were allotted to Conventory Commodeal Pvt. Ltd., 552,000 Equity Shares were allotted to Dorite Tracon Pvt. Ltd., 160,000 Equity Shares were allotted to Eskay Business Private Limited, 632,000 Equity Shares were allotted to Kalpataru Housefin & Trading Pvt. Ltd., 612,000 Equity Shares were allotted to Narantak Dealcomm Limited, 400,000 Equity Shares were allotted to Pitambar Commercial Company Private Limited, 180,000 Equity Shares were allotted to Ponni Trexim Private Limited, 192,000 Equity Shares were allotted to Shaily Sales & Services Private Limited, 116,000 Equity Shares were allotted to Gulmohar Complex Private Limited and 308,000 Equity Shares were allotted to Nandlal Tie-Up Private Limited

(16) Pursuant to the scheme of amalgamation of Ponni Trexim Private Limited Eskay Business Private Limited and Nandlal Tie-Up Private Limited with our Company, as approved by the High Court of Calcutta by order dated June 11, 2014, the shareholders of Ponni Trexim Pvt. Ltd. were allotted two Equity Shares of our Company for every five equity shares of Ponni Trexim, the shareholders of Eskay Business Pvt. Ltd. were allotted one Equity Share in our Company for every four equity shares in Eskay Business Pvt. Ltd., and shareholders of Nandlal Tie-Up Pvt. Ltd. were allotted nine Equity Shares in our Company for every four equity shares of Nandlal Tie-up Pvt. Ltd. Accordingly, 1,470,536 Equity Shares were allotted to shareholders of Ponni Trexim Pvt. Ltd., 927,075 Equity Shares were allotted to shreholders of Eskay Business Pvt. Ltd., and 3,245,625 Equity Shares were allotted to shareholders of Nandlal Tie-Up Pvt. Ltd. For further details, please see the section entitled "History and Certain Corporate Matters" on page 158.

(17) Pursuant to the scheme of amalgamation of Ponni Trexim Private Limited Eskay Business Private Limited and Nandlal Tie-Up Private Limited with our Company, as approved by the High Court of Calcutta by order dated June 11, 2014, and Board resolution dated November 13, 2014, the cross-holding of 3,919,000 Equity Shares of the transferor companies in our Company were cancelled.

(18) Pursuant to the scheme of amalgamation, of Inforev Software Private Limited and Amazing Vinimay Private Limited with our Company, as approved by the High Court of Calcutta by order dated October 3, 2016, shareholders of Inforev Software Pvt Ltd. were allotted Equity Shares of our Company in the ratio 1:3 and shareholders of Amazing Vinimay Private Limited were allotted Equity Shares in our Company in the ratio 7:4. Accordingly, 42,333 Equity Shares were allotted to Dorite Tracon Pvt. Ltd., 4,333 Equity Shares were allotted to Parichay Tradelinks Pvt. Ltd., 93,666 Equity Shares were allotted to Brij Bhushan Agarwal, 4,666 Equity Shares were allotted to Kejariwal Mercantiles Company Pvt. Ltd., 3,666 Equity Shares were allotted to Seven Star Trades & Services Pvt. Ltd., 9,000 Equity Shares were allotted to Tulsi Vanijya Pvt. Ltd., 7,333 Equity Shares were allotted to Vaishno Trades & Services Pvt. Ltd., 5,333 Equity Shares were allotted to Vicky Marketing Services Pvt. Ltd., 64,333 Equity Shares were allotted to Narantak Dealcomm Limited, 71,000 Equity Shares were allotted to Subham Capital Private Limited, 6,666 Equity Shares were allotted to Wellman Tie-Up Pvt. Ltd., 9,333 Equity Shares were allotted to Accurate Dealmark Pvt. Ltd., 918,312 Equity Shares were allotted to Sonata Retails Pvt. Ltd., 905,187 Equity Shares were allotted to Sonata Traders Pvt. Ltd., and 940,626 Equity Shares were allotted to Sonata Dealtrade Pvt. Ltd. For further details, please see the section entitled "History and Certain Corporate Matters" on page 158.

(19) Pursuant to the scheme of amalgamation, of Inforev Software Private Limited and Amazing Vinimay Private Limited with our Company, as approved by the High Court of Calcutta by order dated October 3, 2016, and the Board resolution dated March 30, 2017, the cross-holding of 228,225 equity shares of both transferor companies in our Company were cancelled.

(20) Pursuant to the scheme of amalgamation of Inforev Software Private Limited and Amazing Vinimay Pvt. Ltd. with our Company, as approved by the Calcutta High Court by order dated October 3, 2016, Mahabir Prasad Agarwal was allotted four Equity Shares for the fractional entitlement of the shareholders of Inforev Software Private Limited and one Equity Share for the fractional entitlement of the shareholders of Amazing Vinimay Pvt. Ltd.

(21) 375,000 equity shares were allotted to Narantak Dealcomm Limited

(22) 2,000 Equity Shares were allotted to Bajrang Lal Agarwal, 25,264 Equity Shares were allotted to Sanjay Kumar Agarwal, 2,020 Eqquity Shares were allotted to Mahabir Prasad Agarwal, 18,735,856 Equity Shares were allotted to Brij Bhushan Agarwal, 1,800,000 Equity Shares were allotted to Brij Bhushan Agarwal (HUF), 907,000 Equity Shares were allotted to Mittu Agarwal, 12,157,332 Equity Shares were allotted to Dorite Tracon Private Limited, 43,250,672 Equity Shares were allotted to Narantak Dealcomm Limited, 33,595,816 Equity Shares were allotted to Subham Capital Private Limited, 559,000 Equity Shares were allotted to Toplight Mercantile Private Limited, 58,077,800 Equity Shares were allotted to Subham Buildwell Private Limited, 5,436,000 Equity Shares were allotted to Kalpataru Housefin and Trading Private Limited, 4,050,380 Equity Shares were allotted to Sonata Retails Private Limited, 4,112,540 Equity Shares were allotted to Sonata Traders Private Limited and 4,716,400 Equity Shares were allotted to Sonata Dealtrade Private Limited.

Pre-Issue and post-Issue shareholding pattern of Company

The pre-Issue and post-Issue shareholding pattern of our Company, as on September 30, 2023, is set forth below:

#	Category	Pre-Issue (as on September 30, 2023)#		Post-Issue*	
		No. of Equity Shares held	% of share Holding	No. of Equity Shares held	% of share holding
A. Promoters/ Promoter Group holding**					
1.	Indian				
	Individuals/ Hindu Undivided Family	26,840,175	10.52	[●]	[●]
	Bodies Corporate	181,354,390	71.10	[●]	[●]
	Sub-total	208,194,565	81.62	[●]	[●]
2.	Foreign promoter	-	-	[●]	[●]
	Sub-total (A)	**208,194,565**	**81.62**	[●]	[●]
B. Non-Promoter Holding					
1.	Institutional Investors				
	Domestic	11,077,375	4.34	[●]	[●]
	International	4,677,700	1.83	[●]	[●]
	Sub-total	**15,755,075**	**6.17**	[●]	[●]
2.	Non-Institutional Investors				
	Private Corporate Bodies	8,525,480	3.34	[●]	[●]
	Directors and Relatives (excluding Independent Directors)	3,420	-	[●]	[●]
	Indian Public	19,303,829	7.57	[●]	[●]
	Others including Non Resident Indians (NRIs)	2,205,033	0.87	[●]	[●]
	Sub-total	**30,037,762**	**11.78**	[●]	[●]
	Sub-total (B)	**45,792,837**	**17.95**	[●]	[●]
C.	**Shares held by Employee Trust (C)**	**1,093,286**	**0.43**	[●]	[●]
	Grand Total (A+B+C)	**255,080,688**	**100.00**	[●]	[●]

#Based on beneficiary position data of our Company as on September 30, 2023.
**The details of the post-Issue shareholding pattern will be filled-in before filing of the Placement Document with the Stock Exchanges.*
***Includes shareholding of the members of the Promoter Group.*

SMEL Employees Stock Incentive Plan, 2023 ("SMEL Employees Stock Incentive Plan")

Our Company formulated and adopted an employee stock option scheme, namely, SMEL Employees Stock Incentive Plan, 2023 sub-divided into SMEL Performance ESOP Scheme (ESOP 2023) and SMEL Loyalty ESPP Scheme (ESPP – 2023), pursuant to the resolution passed by our Board dated May 24, 2023 and our Shareholders by way of a postal ballot dated July 7, 2023, in compliance with Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable provisions, as amended. The aggregate number of Equity Shares, issued under the SMEL Employees Stock Incentive Plan, 2023, shall not exceed 13,35,766 Equity Shares.

Further, the Board of Directors at its meetings held on July 27, 2023 and the Shareholders at the Annual General Meeting dated September 21, 2023, approved the change in name of one of the sub-parts of the scheme from SMEL Loyalty ESPP Scheme (ESPP – 2023) to SMEL Loyalty ESOP Scheme (ESOP II - 2023) along with the number of options to be covered under the new scheme, which shall not exceed 25,00,000 options convertible into equal number of shares on exercising the rights, and certain terms and conditions of the scheme.

As on date of this Preliminary Placement Document, the details of options pursuant to SMEL Employees Stock Incentive Plan, are as follows:

Particulars	Number of stock options
Total number of stock options	25,00,000
Stock options granted	10,92,738
Total number of stock options valid	10,92,738
Stock options vested and remain unexercised	Nil
Stock options exercised	Nil
Stock options lapsed / forfeited/ cancelled	Nil
Total stock options outstanding	10,92,738

Other confirmations

1. Except as stated above, our Company has not made any allotment of Equity Shares, including for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document.

2. Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of the notice to the Shareholders dated July 27, 2023, for approving this Issue.

3. There would be no change in control in our Company consequent to this Issue.

4. Our Company has not allotted securities on preferential basis or private placement or by way of rights issue in the last one year preceding the date of this Preliminary Placement Document.

5. Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on recognised stock exchanges in India.

6. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document, except for stock options granted under SMEL Employees Stock Incentive Plan, 2023.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLM, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" beginning on page 486.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) the six month period ended September 30, 2023; (ii) Fiscal 2023; (iii) Fiscal 2022; and (iv) Fiscal 2021, as per the requirements under Ind AS 24 notified under the Ind AS Rules read with Section 133 of the Companies Act, please see the section entitled "*Financial Statements"* beginning on page 287.

DIVIDENDS

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare one or more interim dividends during any Financial Year. Our Board has approved and adopted a formal dividend policy on May 15, 2018, in terms of Regulation 43A of the SEBI Listing Regulations. ("**Dividend Policy**").

In accordance with our Dividend Policy, the Board will assess our Company's financial requirements, including consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, resources required to fund acquisitions and/or new business, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company and other relevant factors and declare dividend in any Financial Year. The dividend for any Financial Year shall normally be paid out of our Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous Financial Year(s) in accordance with provisions of the Companies Act and the SEBI Listing Regulations, as applicable.

The following table details the dividend paid by our Company on the Equity:

Particulars	Period ended				October 1, 2023 till the date of this PPD
	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023	
Face value per Equity Share (in ₹)	10	10	10	10	Nil
Aggregate Dividend (in ₹ crore)	43.21	183.65	114.78	45.91	Nil
Dividend per Equity Share (in ₹)	1.85	7.20	4.50	1.80	Nil
Rate of dividend (%)	18.50	72.00	45.00	18.00	Nil
Dividend Distribution Tax (%)	Nil	Nil	Nil	Nil	Nil
Dividend Distribution Tax (in ₹)	Nil	Nil	Nil	Nil	Nil
Mode of payment of dividend	ECS	ECS	ECS	ECS	Nil

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the Financial Year in which they have been allotted. For further information, please see the section entitled "*Description of the Equity Shares*" beginning on page 266. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see section entitled "*Risk Factors*" beginning on page 43.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, the information in the section titled "Selected Financial Information" beginning on page 33 of this Preliminary Placement Document, and our "Financial Statements" beginning on page 287 of this Preliminary Placement Document.

Our Audited Consolidated Financial Statements as at, and for, the fiscal years ended March 31, 2021, 2022 and 2023 (including the schedules, notes and significant accounting policies thereto), have been prepared in accordance with Ind AS, read with the Companies (India Accounting Standards) Rules, 2015. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Statements in this Preliminary Placement Document that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause our actual financial performance to differ materially from the conditions contemplated in such forward-looking statements. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors and contingencies that could affect our financial condition, results of operations and cash flows. You are advised to read the sections titled, "Forward-Looking Statements" and "Risk Factors" beginning on pages 18 and 43, respectively, which discuss a number of factors or contingencies that could affect our business, financial condition and results of operations. You are cautioned not to place undue reliance on these forward-looking statements.

*Unless otherwise indicated, all industry and market data used in this section has been derived from the "Market assessment and outlook across Steel industry value chain" dated August 2023 (the "**CRISIL Report**"). Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Unless otherwise indicated or the context otherwise requires, the financial numbers pertaining to the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023, have been derived from our Audited Consolidated Financial Statements.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Shyam Metalics and Energy Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Shyam Metalics and Energy Limited and its Subsidiaries and Associates on a consolidated basis.

Overview

We are a leading integrated steel and ferro alloys producer, in terms of long steel products, in the eastern region of India (*Source: CRISIL Report*). We are amongst the largest producers of ferro alloys in terms of installed capacity in India, as of February 2023 (*Source: CRISIL Report*). We have the ability to sell intermediate and final products across the steel value chain. We are one of the leading players in terms of pellets as of Fiscal 2023 and we are the fourth largest player in the sponge iron industry in terms of sponge iron capacity in India for Fiscal 2023 (*Source: CRISIL Report*). We are also one of the largest manufacturers of aluminium foils with an installed capacity of 43,600 tonnes (*Source: CRISIL Report*). We have a consistent track record of delivering operating profitability, and since the commencement of our operations in Fiscal 2005, we have delivered a positive EBITDA in each of the Fiscals.

We currently operate three steel manufacturing plants located at Sambalpur in Odisha, and Jamuria and Mangalpur in West Bengal. We also operate two aluminium foil manufacturing plants that are located at Pakuria in West Bengal and Giridih in Jharkhand. We also have two stainless steel plants located at Pithampur in Madhya Pradesh. As of November 30, 2023, our aggregate installed metal capacity was 13.51 million tonne per annum (“**MTPA**”) (comprising intermediate and final products). Our manufacturing plants also include captive power plants with an aggregate installed capacity of 357 MW, as of November 30, 2023.

We are also in the process of (i) increasing the capacities of our existing manufacturing plants; (ii) commissioning new manufacturing plants, which are proposed to be situated at Kharagpur and Durgapur in West Bengal and (iii) increase the capacities of our captive power plants, which is expected to increase our aggregate installed metal capacity (comprising intermediate and final products) from 13.51 MTPA, as of November 30, 2023 to 20.92 MTPA and captive power plants aggregate installed capacity from 357 MW, as of November 30, 2023, to 597 MW. These proposed expansions are expected to become operational between Fiscal 2024 and Fiscal 2026.

Our Sambalpur and Jamuria plants operate as ‘ore to metal’ integrated steel manufacturing plants and comprise captive railway sidings, captive power plants, iron pellet, sponge iron, billet, thermo mechanically treated (“**TMT**”), wire rod and structural mills, and ferro alloy plants. Our integrated manufacturing plants are fungible by design, which provides us with the ability to quickly adapt to continuously evolving market conditions, change our production and product offerings and optimise our operating margins thereby insulating us from price volatility. Further, our Mangalpur plant comprises sponge iron and ferro alloy plants, and a captive power plant. Our aluminium foil manufacturing plants have a 40 to 5 micron rolling range with annealing capability, customisable as per demand, where we majorly produce 6-10 micron rolled material. With our acquisition of Shree Venkateshwara Electrocast Private Limited, we are able to produce wide range of products in the pharmaceutical space, house foil space, SRC containers space and other items in packaging industry. With our recent acquisition of Mittal Corp Limited which included two Stainless Steel manufacturing units at Pithampur, Madhya Pradesh, we have ventured into wide range of products in the stainless steel sector like Billets, SS Bar, Wire rods etc.

We have ten captive power plants that utilise non-fossil fuels, such as, waste, rejects, heat and gas, generated from our operations to produce electricity, and thereby enable us to operate at lower power costs. In Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023, power units produced from our captive power plants accounted for 78.68%, 78.47%, 73.00% and 79.63%, respectively, of our total power units consumed. We believe that the proposed expansion plans of our captive power plants will help us to meet our increased requirement of power and enable us to become more self-sufficient.

We primarily produce intermediate and long steel products, such as, iron pellets, sponge iron, steel billets, TMT, structural products, wire rods, and ferro alloys products with a specific focus on high margin products, such as, customised billets and specialised ferro alloys for special steel applications. Our TMT and structural products are sold under the brand ‘*SEL*’ and logo . We also undertake conversion of hot rolled coils to pipes, chrome ore to ferro chrome and manganese ore to silico manganese for an Indian steel conglomerate. We also manufacture aluminium foils with rolling range of 40 to 5 micron. We are also currently in the process of further diversifying our product portfolio by entering into the segments, such as, pig iron, ductile iron pipes, cold rolling mill, parallel flange beam, colour coated sheets, hot flats products, battery foils and steel wire drawings. Our Sambalpur manufacturing plant caters to customers in the southern and western regions of India whereas our Jamuria and Mangalpur manufacturing plants caters to customers in northern and eastern regions of India. Further, our two aluminium manufacturing plants located in Pakuria, West Bengal and Giridih, Jharkhand cater to our domestic customers located pan-India as well as our international customers located in Europe, USA and Bangladesh. We also supply stainless steel across the country.

Our product offerings cater to a mix of customers that consist of institutional customers and end-use consumers through our wide distribution network. As of November 30, 2023, we had partnerships with 1,837 dealers and distributors, who stock and sell our finished products across 28 states and two union territories.

Our steel manufacturing plants are strategically located in close proximity to the mineral belt in eastern India, including, iron ore, iron ore fines, manganese ore, chrome ore and coal mines, our primary raw material sources and ports, which we believe lowers our transportation costs and provides significant logistics management and cost benefits. Our manufacturing plants are well connected by roads, railways and ports. Our Sambalpur and Jamuria manufacturing plants have captive railways sidings which enable us to transport the raw materials and products in a cost and time effective manner. We are one of the few integrated metal producing companies in India with captive railway sidings (*Source: CRISIL Report*). We follow stringent quality standards and place a strong emphasis on quality for our products. Our Sambalpur, Jamuria and Giridih manufacturing plants have obtained the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 quality certifications. In addition, our Giridih manufacturing plant has also obtained ISO 22000:2018 quality certification. Unit II of our manufacturing plant in Pithampur has also obtained ISO 9001:2008 and ISO 14001:2004 quality certifications. We have also achieved cost efficiencies by utilising waste materials or by-products as raw material inputs for other products and processes.

We have better financial strength as compared to other companies operating in the long and intermediary steel sector (*Source: CRISIL Report*). Our revenue from operations increased at a CAGR of 41.51% from ₹ 6,297.07 crore in Fiscal 2021 to ₹ 12,610.18 crore in Fiscal 2023 and was ₹ 6,273.73 crore in the six months ended September 30, 2023, on a consolidated basis. Our EBITDA amounted to ₹ 1,394.06 crore, ₹ 2,599.88 crore and ₹ 1,486.03 crore in Fiscals 2021, 2022 and 2023, respectively and ₹ 721.03 crore in the six months ended September 30, 2023, on a consolidated basis. Further, according to the CRISIL Report, our Company has one of the highest interest coverage ratio among its peers on back of low debt. As of March 31, 2021, 2022 and 2023 and as of September 30, 2023, our Gross Debt to Equity ratio was 0.24, 0.10, 0.18 and 0.29, respectively, on a consolidated basis. Our RoCE for Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2023 was 27.37%, 36.98%, 12.43% and 17.10%, respectively. Our fixed asset turnover ratio for the Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2023 was 3.38, 5.02, 4.80 and 3.54 respectively.

We are led by our individual Promoters, Mahabir Prasad Agarwal, Brij Bhushan Agarwal and Sanjay Kumar Agarwal, who have several decades, respectively, of experience in the steel and ferro alloys industry and have been instrumental in the growth of our Company. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the metal industry. As of November 30, 2023, we had a workforce of 14,985 personnel which comprised 9,026 permanent employees and 5,959 contract employees for our operations.

Principal Factors Affecting Our Results of Operations

Our business and results of operations have been affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

Loss of our suppliers or a failure by our suppliers to deliver some of our primary raw materials

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. We procure some of our primary raw materials, such as, (i) iron ore, iron ore fines and manganese ore on a purchase order basis ; (ii) with the exception of the fuel supply agreements that we have entered into certain parties, which accounted for 40% of our total coal purchases in Fiscal 2023, we import coal on a purchase order basis and (iii) chrome ore (with the exception of long term linkages with Odisha Mining Corporation Limited) on a purchase order basis, and have not entered into long term contracts for the supply of such raw materials. Accordingly, we may encounter situations where we might be unable to manufacture and deliver our products due to, amongst other reasons, our inability to predict the increased demand for our products. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. Since we also import a certain amount of raw materials from international suppliers, we remain susceptible to the risks arising out of raw material price fluctuations as well as import duties, which could result in a decline in our operating margins. Additionally, our inability to predict the market conditions may result in us placing supply orders for inadequate quantities of such raw materials. Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials such as iron ore, iron ore fines, coal, chrome ore and manganese ore may have an adverse impact on our ability to continue our manufacturing process without interruption and our ability to manufacture and deliver the products to our customers without any delay. Further, restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations**.**

Stable and reliable logistics and transportation infrastructure

Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations.

Our Sambalpur and Jamuria manufacturing plants have captive railways sidings and we depend primarily on railways to transport the raw materials for such manufacturing units. We also utilize third party transportation services by road for transport of raw materials and our products from/ to our suppliers and customers. Further, we rely on the freight ships for the transport of imported coal as well as for export of our products. Transportation by rail, road or ship, as the case may be, involves risks, including, collision, grounding, storm, fire, explosion, lightning, political instability, allotment of rakes, allotment of berths for cargo ships for our imports and operating restrictions/ lockdown consequent to outbreak of infectious diseases, such as the COVID-19 pandemic. Any delay or disruption caused to the transportation of raw materials or our products could adversely impact our ability to procure the raw materials as well as to meet the delivery schedule of our products in an economical manner. To ensure timely delivery of our products, we may also be required to maintain relatively high level of inventory of raw materials and this may also resultantly increase our cost.

Demand and pricing in the steel industry

Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in steel prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

In Fiscal 2024, demand is expected to sustain at 7-8% on-year with continued demand from the infrastructure and automobile sectors, and trend at 6.50-7.50% CAGR over Fiscals 2023 to 2028 (*Source: CRISIL Report*). Low steel prices adversely affect the businesses and results of operations of steel producers generally, including ours, resulting in lower revenue and margins and write-downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

Seasonality of business

Demand for our products is seasonal as climatic conditions, particularly the monsoon, affect the level of activity in the construction industry. As a result, we usually experience relatively weaker sales volume during the monsoon, and somewhat stronger sales in other seasons. We expect our results of operations will continue to be affected by seasonality in the future. Our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.

Unexpected loss, shutdown or slowdown of operations at any of our manufacturing plants

Our manufacturing plants are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. While we undertake precautions to minimize the risk of any significant operational problems at our plants, there can be no assurance that our business, financial position and operations will not be adversely affected by disruption caused by operational problems at our manufacturing plants. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. The occurrence of any of these risks could affect our operations by causing production at one or more manufacturing plant to shut down or slowdown. We have in the past faced such instances. For example in 2010, one of our ferro alloy plants located at the Sambalpur manufacturing plant was damaged due to a fire which resulted in production stoppage of approximately six months.

Our manufacturing plants are reliant on our captive power plants for the requirement of power. In Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, power units produced from our captive power plants accounted for 78.68%, 78.47%, 73.00% and 79.63%, respectively, of our total power units consumed. We have in the past faced instances which led to the shutdown of some of our captive power plants. For example, in

2011 and 2014, the turbine for our 15 MW and 30 MW captive power plants at Mangalpur and Jamuria suffered a breakdown which resulted in a stoppage of the production of energy for approximately three months and two months respectively. Further in 2016, two fly ash silos connected with the captive power plant at our Jamuria manufacturing plant collapsed resulting in a stoppage of the production of energy for approximately three months.

Statement of Significant Accounting Policies (As per Audited Consolidated Financial Statements)

Group Overview

Shyam Metalics and Energy Limited ('the group') is a public limited Group incorporated in India in 2002 under the Companies Act, 1956. The registered office of the Group is at Trinity Tower, 83 Topsia Road, 7th Floor, Kolkata – 700 046.

The Group is primarily engaged in business of manufacture and sale of Ferro Alloys, Iron & Steel products and power generation. Currently it has an integrated steel plant in Odisha and has it presence in wind power sector in the state of Maharashtra.

The financial statements for the year ended March 31, 2023 were approved for issue by Group's board of directors on May 24, 2023.

1. Significant Accounting Policies

The significant accounting policies applied by the Group in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

b. Basis of preparation

These Consolidated financial statements are prepared in accordance with the Indian Accounting Standard (Ind AS), under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied, except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement

c. Recent Accounting Developments

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below :

Ind AS 1, Presentation of Financial Statements – The amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

d. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in quoted and unquoted equity shares
- Financial instruments

e. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

f. Use of estimates and critical accounting judgements

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

g. Property, plant and equipment

Recognition and initial measurement

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Impairment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

On the date of transition to Ind AS that is 01-04-2015 the Group had taken fair value for land & building and plant & equipment as its deemed cost.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

h. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer software	3 to 5 years

i. Depreciation and amortisation property plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a Written down value basis, the cost of property, plant and equipment and other intangible assets to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives as per the useful life prescribed in Schedule II to the Companies Act, 2013, or, as per technical assessment, or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

In case of certain classes of PPE, the Group uses different useful lives than those prescribed in Schedule II to the Act in the below mentioned assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management’s best estimation of obtaining economic benefits from those classes of assets.

Asset Class	Group Policy	As per Sch. II
Non Factory Building	5-60 Years	60 Years
Office Equipment	3-5 Years	5 Years
Plant & Machineries	5-40 Years	20-40 Years

Freehold land is not depreciated.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

j. Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or CGU) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

k. Financial Instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following line:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Other Comprehensive Income

A financial asset shall be classified and measured at fair value through Other Comprehensive Income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of unquoted equity investments which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments.

Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through Other Comprehensive Income.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group has measured quoted equity instruments at fair value through profit or loss.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or ‘other financial liabilities’.

Financial Liabilities at fair value through profit & loss

Financial liabilities are classified as at fair value through profit & loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit & loss:
Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Group recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

l. Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

m. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Provisions are made to cover slow moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their product lines and market conditions

n. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

o. Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit and Loss

p. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Group must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

q. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period
Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

r. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term and the lease term is as follows.

Class of assets	Years
Leasehold land	99 Years
Buildings	2 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

s. Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

Sale of goods

Revenue from sale of products is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In the context of the sale of the products, separate performance obligations may arise from freight and transport services as well as from services directly related to the sale of the products. These services are generally performed at the time that the control of the products is transferred. In a few exceptional cases, the freight and transport services are performed after the control of the products has been transferred. In accordance with IND AS 115, the revenue relating to these freight and transport services is realised later than the corresponding product revenue. In determining the transaction price, the Group considers the effects of variable consideration such as discounts, volume rebates, or other contractual price reductions, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

In case of domestic sales, the Group believes that the control gets transferred to the customer on dispatch of the goods from the factory and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms. Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

Conversion Income

Revenue from sale of service is recognised when control has been transferred to the buyer usually when the delivery of goods after due process of conversion takes place, revenue is booked when all the performance obligations are satisfied. In determining the transaction price, the Group considers the effects of variable consideration such as discounts, volume rebates, or other contractual price reductions, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

t. Foreign currency transactions

The financial statements of the Group are presented in Indian rupees (₹), which is the functional currency of the Group and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are restated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the translation or settlement of other monetary items are included in the statement of profit and loss for the period.

u. Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

v. Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

w. Trade receivables

Trade receivables that do not contain a significant financing component are measured at transaction price.

x. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with the financial institutions, other short term, highly liquid investments with original maturities of three months or less (except the instruments which are pledged) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

y. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

z. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

aa. Investment in subsidiaries and associates and joint venture

Investment in subsidiaries and associates are shown at deemed cost except investment in one subsidiary. Further where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of profit and loss.

bb. Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

cc. Expected Credit Loss

Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

Changes in the accounting policies, if any, in the last three years and their effect on our profits and reserves

There have been no changes in accounting policies of our Company during the Fiscal 2021, Fiscal 2022 or Fiscal 2023.

EBITDA (Earnings Before Interest Tax Depreciation and Amortization) and EBITDA Margin

EBITDA and EBITDA Margin, presented in this Preliminary Placement Document is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA and EBITDA Margin are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA and EBITDA Margin, are not standardised terms, hence a direct comparison of these Non-

GAAP measures between companies may not be possible. Other companies may calculate these Non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of EBITDA, EBITDA Margin and Gross Debt to EBITDA to Profit before tax

The table below reconciles profit before tax to EBITDA, EBITDA Margin and Gross Debt to EBITDA. EBITDA is calculated as profit before taxes for the year plus interest costs and depreciation and amortization expense less other non-operating income, while EBITDA Margin is the percentage of EBITDA divided by operating income (calculated as revenue from operations (net of excise duty) plus export incentives received). The table below also includes our net profit margin. Net profit margin is the percentage of profit for the year divided by revenue from operations.

Particulars	**Fiscal**		
	2021	**2022**	**2023**
Profit before tax (I) (₹ crore)	1,054.96	2,364.33	1,041.83
Add: Interest costs (II) (₹ crore)	62.46	23.16	93.13
Add: Depreciation and amortization expense (III) (₹ crore)	300.36	272.40	463.08
Less: Other non-operating income (₹ crore)	23.72	60.01	112.01
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) IV = I + II +- III (₹ crore)	1,394.06	2,599.88	1,486.03
Operating Income[(1)] (V) (₹ crore)	6,297.07	10,393.96	12,610.18
EBITDA Margin (EBITDA as a percentage of operating income) VI = (IV/V) (%)	22.14%	25.01%	11.78%
Net Profit Margin (%)	13.40%	16.59%	6.73%
Gross Debt[(2)] (₹ crore)	789.43	533.67	1,151.78
Gross Debt[(2)] / EBITDA	0.57	0.21	0.78

[(1)] Operating income is calculated as revenue from operations (net of excise duty) plus export incentives received.
[(2)] Gross Debt is calculated as long term debt plus short term debt and Current maturity of long term debt.

Interest Coverage Ratio

Interest coverage ratio is a non-GAAP measure that is calculated as the sum of profit before taxes for the year plus interest costs and depreciation and amortization expense less other non-operating income, divided by interest costs as per financial statements (includes interest on debentures, term loans and banks and others).

Reconciliation of Interest Coverage Ratio

(₹ crore, except Interest Coverage Ratio)

Particulars	**Fiscal**		
	2021	**2022**	**2023**
Profit before tax (I)	1,054.96	2,364.33	1,041.83
Add: Interest costs (II)	62.46	23.16	93.13
Add: Depreciation and amortization expense (III)	300.36	272.40	463.08
Less: Other non-operating income	23.72	60.01	112.01
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) IV = I + II + - III	1,394.06	2,599.88	1,486.03
Interest costs as per financial statement (includes interest on debentures, term loans, lease liabilities and banks and others)	62.46	23.16	93.13
Total interest costs (B)	62.46	23.16	93.13
Interest Coverage Ratio (A)/ (B)	22.32	112.26	15.96

Overview of Revenue and Expenditure

The following descriptions set forth information with respect to key components of our income statement.

Revenue

Revenue from operations

Revenue from operations comprises income from sale of manufactured products, services, traded goods, power and other miscellaneous items. Further, other operating revenues also includes export incentives and other incentives received along with subsidies.

Other Income

Other income includes: (i) operating income which comprises of export incentives primarily received under the Merchandise Exports from India Scheme and Duty Drawback Scheme; (ii) recurring income which comprises of interest received on financial assets carried at amortised cost from deposits, loans, bonds and others; and (iii) non-recurring income which primarily comprises of exchange gain fluctuations (net), provisions no longer required written back, fair value profit on forward contracts, profit on sale of mutual fund, rent and interest from AIF/ bond.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) purchase of stock-in-trade; (iii) changes in inventories of finished goods, stock in trade and work-in-progress; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortisation expense; and (vii) other expenses.

Cost of materials consumed: Cost of materials consumed primarily consists of purchase of raw materials, such as, iron ore fines, coal, pig iron, manganese ore, chrome ore, coke and related materials. The high-sea sales of coal, chrome ore and coke are netted from our cost of materials consumed.

Purchase of stock-in-trade: Purchase of stock-in-trade consists of purchase of traded goods which primarily consist of ferro alloy products, iron pellets and structural products.

Changes in inventories of finished goods, stock-in trade and work-in-progress: Changes in inventories of finished goods, stock in trade and work in progress represents the net increase or decrease in finished goods, work-in-progress, by-products, traded goods, consignment stock at the beginning of the year and end of the year.

*Employee Benefits Expense*s: Employee benefits expense consists of salary, wages and allowances, contribution to provident and other funds, and staff welfare.

Finance Costs: Finance costs includes interest expense on borrowings and for lease liability, exchange differences to the extent considered as an adjustment to borrowings and other borrowing costs, such as, bank charges.

Depreciation and Amortisation Expenses: Depreciation and amortization expense comprises of (i) depreciation; (ii) depreciation on right of use assets; and (iii) amortization.

Other Expenses: Other expenses primarily includes (i) consumption of stores and spares parts; (ii) power, fuel and electricity; (iii) rates and taxes; (iv) labour charges; (v) , repairs and maintenance, power, fuel and electricity, rent and hire, rates and taxes, labour charges, freight, brokerage and commission on sales, legal and professional expenses and miscellaneous expenses.

Operating Segment and Business Models

As per Ind AS 108 “operating segments”, specified under section 133 of the Companies Act, 2013, our Company is predominantly engaged in a single reportable segment of iron and steel.

Geographic information and Business model

The geographic information analyses our revenues by our country of domicile and other countries for the periods/years indicated. In presenting geographic information, revenue has been based on the contracts with customers.

(₹ in crore)

Sales Value	For Fiscal 2021	For Fiscal 2022	For Fiscal 2023
India	5,270.48	8,605.67	11,330.56
Outside India	1,008.54	1,758.64	1,264.72

Sales Value	For Fiscal 2021	For Fiscal 2022	For Fiscal 2023
Total	**6,279.02**	**10,364.31**	**12,595.28**

Our Results of Operations for Fiscal 2023, Fiscal 2022 and Fiscal 2021

The following table sets forth select financial data from our consolidated audited statements of profit and loss data for the Fiscals ended March 31, 2021, March 31, 2022 and, March 31, 2023 the components of which are also expressed as a percentage of total income for such periods:

(in ₹ crore)

Particulars	As of and for the period ended					
	March 31, 2021	% of Total Income	March 31, 2022	% of Total Income	March 31, 2023	% of Total Income
Income						
Revenue from operations	6297.07	99.62	10,393.96	99.43	12,610.18	99.12
Other Income	23.72	0.38	60.01	0.57	112.01	0.88
Total Income (I+II)	**6,320.79**	100.00	**10,453.97**	100	**12,722.19**	100
Expenses						
Cost of material consumed	3716.74	58.80	6,460.87	61.80	8,916.33	70.08
Purchase of stock-in-trade	67.58	1.07	32.54	0.31	292.56	2.30
Change in inventories of finished goods, stock in trade and work -in-progress	48.99	0.78	(180.87)	(1.73)	(242.64)	(1.91)
Employee benefits expense	188.14	2.98	246.56	2.36	345.15	2.71
Finance costs	62.46	0.99	23.16	0.22	93.13	0.73
Depreciation and amortisation expense	300.36	4.75	272.40	2.61	463.08	3.64
Other expenses	881.83	13.95	1,235.12	11.81	1,812.89	14.25
Total Expense(IV)	**5,266.10**	**83.31**	**8,089.78**	77.38	**11,680.50**	91.81
Profit before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)	**1,054.69**	16.69	**2,364.19**	22.62	**1,041.69**	8.19
Share in Profit of Associate and Joint Venture	0.27	0.00	0.14	0.00	0.14	0.00
Profit before tax (V+VI)	**1,054.96**	16.69	**2,364.33**	22.62	**1,041.83**	8.19
Tax expense:						
(i) Current tax	266.56	4.22	539.46	5.16	234.59	1.84
Add: MAT Credit Utilized	0.00	-	100.79	0.96	0.00	-
(ii) Deferred tax	(55.16)	(0.87)	(0.08)	0.00	(41.17)	0.32
Profit for the period (VI-VII)	**843.56**	13.35	**1,724.18**	16.49	**848.41**	6.67
Profit for the Year (VIII+IX+X)	**843.56**	13.35	**1,724.18**	16.49	**848.41**	6.67
Profit / (Loss) attributable to Non Controlling Interest	0.2	0.0	(0.36)	0.00	(9.19)	(0.07)
Profit / (Loss) attributable to owners of the Parent	843.36	13.34	1,724.54	16.50	857.60	6.74
Other comprehensive income						
(i) Items that will not be reclassified to profit and loss						
- Remeasurement of Defined Benefit Plan	0.68	0.01	(1.02)	(0.01)	(1.52)	0.01
- Equity instruments at fair value through other comprehensive income;	5.89	0.09	57.35	0.55	21.93	0.17%
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.42)	0.02	(12.76)	(0.12)	(5.05)	(0.04)

Other comprehensive income for the year	**5.15**	0.08	**43.57**	0.42	**15.36**	0.12
Total Comprehensive Income for the period (XI+XII)	**848.71**	13.43	**1,767.75**	16.91	**863.77**	6.79
Comprehensive Income attributable to Non Controlling Interest	0.20	0.00	(0.36)	0.00	(9.19)	(0.07)
Comprehensive Income attributable to owners of the Parent	848.51	13.42	1,768.11	16.91	872.96	6.86

Results of operations for the Fiscal 2023 compared with Fiscal 2022

Particulars	**As at for the financial period ended**		**Change %**
	March 31, 2023 (₹ in crore)	**March 31, 2022 (₹ in crore)**	
Income			
Revenue from operations	12,610.18	10,393.96	21.32
Other Income	112.01	60.01	86.65
Total Income (I+II)	**12,722.19**	**10,453.97**	**21.70**
Expenses			
Cost of material consumed	8,916.33	6,460.87	38.01
Purchase of stock-in-trade	292.56	32.54	799.08
Change in inventories of finished goods, stock in trade and work -in- progress	(242.64)	(180.87)	34.15
Employee benefits expense	345.15	246.56	39.99
Finance costs	93.13	23.16	302.12
Depreciation and amortisation expense	463.08	272.40	70.00
Other expenses	1,812.89	1,235.12	46.78
Total Expense(IV)	**11,680.50**	**8,089.78**	**44.39**
Profit before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)	**1,041.69**	**2,364.19**	**(55.94)**
Share in Profit of Associate and Joint Venture	**0.14**	**0.14**	**0.00**
Profit before tax (V+VI)	**1,041.83**	**2,364.33**	**(55.94)**
Tax expense:			
(i) Current tax	234.59	539.46	56.51
Add: MAT Credit Utilized	-	100.79	-
(ii) Deferred tax	(41.17)	(0.08)	51362.5
Profit for the period (VI-VII)	**848.41**	**1,724.18**	**(50.79)**
Profit for the Year (VIII+IX+X)	**848.41**	**1,724.18**	**(50.79)**

Revenue from operations

Our revenue from operations increased by 21.32% from ₹ 10,393.96 crore in Fiscal 2022 to ₹ 12,610.18 crore in Fiscal 2023. This increase can be primarily attributed to increase in our sale of manufactured products by 19.67 % from ₹ 10,154.65 crore in 2022 to ₹ 12,151.85 crore in 2023 due to (a) increase in average sales price per tonne of our manufactured products; (b) increase in the capacity expansion of the manufacturing plants and (c) increase in the capacity utilization of our manufacturing plants,increase in sale of traded good by 576.54% from ₹ 46.89 crore in 2022 to ₹ 317.23 crore in 2023 due to increase in conversion process and alternative utilisation of capacity and increase in sale of miscellaneous items by 664.77% from ₹ 5.28 crore in 2022 to ₹ 40.38 crore in 2023 due to conversion income, wind mill and sale of scrap.

Other Income

Our other income increased by 86.65% from ₹ 60.01 crore in Fiscal 2022 to ₹ 112.01 crore in Fiscal 2023. Such increase was primarily due to increase in the investments and realisation of accrual of income on mutual funds, bonds, debentures, government securities etc.

Cost of Materials Consumed

Our cost of materials consumed increased by 38.01% from ₹ 6,460.87 crore in Fiscal 2022 to ₹ 8,916.33 crore in Fiscal 2023, primarily due to the increase in the purchase quantity and landed cost of raw materials, such as, iron ore fines, coal, manganese ore, chrome ore, pig iron and coke which was in line with our increased production during this period along with an increase in the average landed purchase price per tonne. The entry cost have increased tremendously due to Geo political scenario of Ukraine and Russia and shortage of coal globally.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased by 799.08% from ₹ 32.54 crore in Fiscal 2022 to ₹ 292.56 crore in Fiscal 2023, primarily due to an increase in the value and volume of products traded by us.

Change in inventories of finished goods, stock-in trade and work-in-progress

Our opening stock of (i) finished goods was ₹ 377.14 crore as at April 1, 2022, while it was ₹ 198.56 crore as at April 1, 2021; (ii) work-in-progress was ₹ 12.69 crore as at April 1, 2022 , while it was ₹ 2.53 crore as at April 1, 2021 ; (iii) traded goods was ₹ 2.99 crore as at April 1, 2022, while it was ₹ 6.20 crore as at April 1, 2021 and (iv) by-products was ₹ 27.42 crore as at April 1, 2022, while it was ₹ 32.08 crore as at April 1, 2021.

Our closing stock of (i) finished goods was ₹ 624.79 crore as at March 31, 2023, while it was ₹ 377.14 crore as at March 31, 2022; (ii) work-in-progress was ₹ 1.86 crore as at March 31, 2023, while it was ₹ 12.69 crore as at March 31, 2022; (iii) traded goods was ₹ 2.90 crore as at March 31, 2023, while it was ₹ 2.99 crore as at March 31, 2022 and (iv) by-products was ₹ 33.35 crore as at March 31, 2023, while it was ₹ 27.42 crore as at March 31, 2022.

The decrease in our change in inventories of finished goods, stock-in-trade and work-in-progress to ₹ (242.64) crore in Fiscal 2023 from ₹ (180.87) crore in Fiscal 2022 was primarily a result of increase in closing stock of finished goods and landed cost of finished goods due to increase in cost of production and was in line with our increased production consequent to increase in our installed capacities.

Employee Benefits Expense

Our employee benefits expense increased by 39.99% from ₹ 246.56 crore in Fiscal 2022 to ₹ 345.15 crore in Fiscal 2023 primarily on account of increase in the number of employees consequent to expansion of our installed capacities and revision in wages.

Finance Costs

Our finance costs increased by 302.12% from ₹ 23.16 crore in Fiscal 2022 to ₹ 93.13 crore in Fiscal 2023, primarily due to (i) increase in the interest expense on borrowings by 328.59% from ₹ 15.18 crore in Fiscal 2022 to ₹ 65.06 crore in Fiscal 2023 due to utilisation of funds and increase in cost of borrowings from banks; and (ii) increase in other borrowing costs, comprising of bank charges on bank guarantees, bill discounting, buyers credit and letter of credit by 259.90% from ₹ 7.73 crore in Fiscal 2022 to ₹ 27.82 crore in Fiscal 2023.

Depreciation and Amortization Expense

Our depreciation and amortization expense increased by 70.00% from ₹ 272.40 crore in Fiscal 2022 to ₹ 463.08 crore in Fiscal 2023. This was primarily due to capitalization of fixed assets consequent to expansion of our installed capacities and deprecation on fixed assets for the capacities commissioned.

Other expenses

Our other expenses increased by 46.78% from ₹ 1,235.12 crore in Fiscal 2022 to ₹ 1,812.89 crore in Fiscal 2023, generally in line with the increase in our production volume. Specifically, the increase was mainly driven by primarily due to increase in (i) consumption of stores and spares parts increased by 9.76% from ₹ 446.54 crore in Fiscal 2022 to ₹ 490.10 crore in Fiscal 2023 on account of increase in our installed capacities and capacity utilisation which resulted in an increase in sale of our products; (ii) Power and Fuel increased by 121.93% from

₹ 288.91 crore in Fiscal 2022 to ₹ 641.18 crore in Fiscal 2023 due to increase in Energy Cost , rising prices of coal and increase in our installed capacities; (iii) Loss on Foreign Exchange increased by 372.04% due to increase in foreign currency rates and exposures; (iv) Advertisement and Publicity Expenses increased by 594.26% from ₹ 9.58 crore to ₹ 66.51 crore in Fiscal 2023 due to increased sale and focus of B2C products and Long products sales, (v) repairs and maintenance increased by 107.56% from ₹ 36.65 crore to ₹ 76.07 crore in Fiscal 2023 due to increase in repair of our commissioned machines in the previous periods; (vi) labour Charges increased by 33.10% from ₹ 108.36 crore to ₹ 144.23 crore in Fiscal 2023 due to increase in rates of labour charges and increase in our installed capacities.

Profit before tax

As a result of the foregoing, we recorded a decrease of 55.94% in our profit before tax, which amounted to ₹ 1,041.83 crore in Fiscal 2023, as compared to ₹ 2,364.33 crore in Fiscal 2022.

Tax expenses

Our current tax expenses decreased by 56.51% from ₹ 539.46 crore in Fiscal 2022 to ₹ 234.59 crore in Fiscal 2023 while our deferred tax expenses increased by 51,632.50% from ₹ (0.08) crore in Fiscal 2022 to ₹ (41.17) crore in Fiscal 2023. Our effective tax rate in Fiscal 2023 and Fiscal 2022 was 18.57% and 27.08%, respectively. The decrease in our effective tax rate Fiscal 2022 was primarily due to a decrease in our profit before tax.

Profit for the period

As a result of the foregoing, we recorded a decrease of 50.79% in our profit for the year from ₹ 1,724.18 crore in Fiscal 2022 to ₹ 848.41 crore in Fiscal 2023.

Results of operations for the Fiscal 2022 compared with Fiscal 2021

(₹ in crore)

Particulars	As at for the financial period ended		Change %
	March 31, 2022	March 31, 2021	
Income			
Revenue from operations	10,393.96	6,297.07	65.06
Other Income	60.01	23.72	152.99
Total Income (I+II)	**10,453.97**	**6,320.79**	65.39
Expenses			
Cost of material consumed	6,460.87	3716.74	73.83
Purchase of stock-in-trade	32.54	67.58	(51.85)
Change in inventories of finished goods, stock in trade and work -in- progress	(180.87)	48.99	(469.20)
Employee benefits expense	246.56	188.14	31.05
Finance costs	23.16	62.46	(62.92)
Depreciation and amortisation expense	272.40	300.36	(9.31)
Other expenses	1,235.12	881.83	40.06
Total Expense(IV)	**8,089.78**	**5,266.10**	53.62
Profit before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)	**2,364.19**	**1,054.69**	124.16
Share in Profit of Associate and Joint Venture	0.14	0.27	(48.15)
Profit before tax (V+VI)	**2,364.33**	**1,054.96**	124.12
Tax expense:			
(i) Current tax	539.46	266.56	102.38
Add: MAT Credit Utilized	100.79	0.00	-
(ii) Deferred tax	(0.08)	(55.16)	(99.85)
Profit for the period (VI-VII)	**1,724.18**	**843.56**	104.39
Profit for the Year (VIII+IX+X)	**1,724.18**	**843.56**	104.39

Revenue from operations

Our revenue from operations increased by 65.06% from ₹ 6,297.07 crore in Fiscal 2021 to ₹ 10,393.96 crore in Fiscal 2022. This increase can be primarily attributed to (i) increase in our sale of manufactured products by 65.45% from ₹ 6,137.56 crore in Fiscal 2021 to ₹ 10,154.65crore in Fiscal 2022 due to (a) increase in average sales price per tonne of our manufactured products; (b) increase in the capacity expansion of the manufacturing plants and (c) increase in the capacity utilization of our manufacturing plants, (ii) increase in sale of our services from by 93.82% from ₹ 79.46 crore in Fiscal 2021 to ₹ 154.01 crore in Fiscal 2022 due to increase in conversion process and alternative utilisation of capacity , and (iii) increase in sale of miscellaneous items by 41.18% from ₹ 3.74 crore in Fiscal 2021 to ₹ 5.28 crore in Fiscal 2022 due to sale of scrap and by products.

Other Income

Our other income increased by 152.99% from ₹ 23.72 crore in Fiscal 2021 to ₹ 60.01 crore in Fiscal 2022. Such increase was primarily due to increase in investments and realisation and accruals of income .

Cost of Materials Consumed

Our cost of materials consumed increased by 73.83% from ₹ 3716.74 crore in Fiscal 2021 to ₹ 6,460.87 crore in Fiscal 2022, primarily due to the increase in the purchase quantity of raw materials such as iron ore fines, coal, manganese ore, chrome ore, pig iron and coke which was in line with our increased production during this period along with an increase in the purchase price per tonne. The iron ore fines purchase price was also increased which led to increase in consumption of raw material in Fiscal 2022.

Change in inventories of finished goods, stock-in-trade and work-in-progress

Our opening stock of (i) finished goods was ₹ 198.56 crore as at April 1, 2021, while it was ₹ 240.30 crore as at April 1, 2020; (ii) work-in-progress was ₹ 2.53 crore as at April 1 , 2021, while it was ₹ 2.49 crore as at April 1, 2020; (iii) traded goods was ₹ 6.20 crore as at April 1, 2021, while it was ₹ 8.44 crore as at April 1, 2020 and (iv) by-products was ₹ 32.08 crore as at April 1, 2021, while it was ₹ 37.12 crore as at April 1, 2020.

Our closing stock of (i) finished goods was ₹ 377.14 crore as at March 31, 2022, while it was ₹ 198.56 crore as at March 31, 2021; (ii) work-in-progress was ₹ 12.69 crore as at March 31, 2022, while it was ₹ 2.53 crore as at March 31, 2021; (iii) traded goods was ₹ 2.99 crore as at March 31, 2022, while it was ₹ 6.20 crore as at March 31, 2021 and (iv) by-products was ₹ 27.42 crore as at March 31, 2022, while it was ₹ 32.08 crore as at March 31, 2021.

The decrease in our change in inventories of finished goods, stock-in-trade and work-in-progress to ₹ (180.87) crore in Fiscal 2022 from ₹ 48.99 crore in Fiscal 2021 was primarily a result of an increase in closing stock of finished goods and landed cost of finished goods due to increase in cost of production and was in line with our increased production consequent to increase in our installed capacities.

Employee Benefits Expense

Our employee benefits expense increased by 31.05% from ₹ 188.14 crore in Fiscal 2021 to ₹ 246.56 crore in Fiscal 2022 primarily due to an increase in salaries and wages by 30.89% from ₹ 175.66 crore in Fiscal 2021 to ₹ 229.92 crore in Fiscal 2022 primarily on account of increase in the number of employees consequent to expansion of our installed capacities and revision in wages.

Finance Costs

Our finance costs decreased by 62.92% from ₹ 62.46 crore in Fiscal 2021 to ₹ 23.16 crore in Fiscal 2022, primarily due to decrease in (i) decrease in interest on borrowings by 65.22% from ₹ 43.64 crore in Fiscal 2021 to ₹ 15.18 crore in Fiscal 2022; and (ii) the exchange difference to the extent considered as an adjustment to the borrowing cost from ₹ 0.24 crore in Fiscal 2021 to NIL in Fiscal 2022;

Depreciation and Amortization Expense

Our depreciation and amortization expense decreased by 9.31% from ₹ 300.36 crore in Fiscal 2021 to ₹ 272.40

crore in Fiscal 2022, primarily due to written value method of depreciation

Other expenses

Our other expenses increased by 40.06% from ₹ 881.83 crore in Fiscal 2021 to ₹ 1,235.12 crore in Fiscal 2022, generally in line with the increase in our production volume. Specifically, the increase was mainly driven by primarily due to increase in (i) consumption of stores and spares parts increased by 52.91% from ₹ 292.03 crore in Fiscal 2021 to ₹ 446.54 crore in Fiscal 2022 on account of increase in our installed capacities and capacity utilisation which resulted in an increase in sale of our products: (ii) Power and Fuel increased by 14.57% from ₹ 252.17 crore in Fiscal 2021 to ₹ 288.91 crore in Fiscal 2022 due to increase in Energy Cost, rising prices of coal and increase in our installed capacities: (iii) Freight & forwarding expenses increased by 101.30% from ₹ 64.63 crore to ₹ 130.10 crore in Fiscal 2022 due to increase in export and sales volume despatch, (iv) repairs and maintenance increased by 95.05% from ₹ 18.79 crore to ₹ 36.65 crore in Fiscal 2022 due to increase in repair of our commissioned machines in the previous periods; (v) labour Charges increased by 27.57% from ₹ 84.94 crore to ₹ 108.36 crore in Fiscal 2022 due to increase in rates of labour charges and increase in our installed capacities.

Profit before tax

As a result of the foregoing, we recorded an increase of 124.12% in our profit before tax, which amounted to ₹ 1,054.96 crore in Fiscal 2021, as compared to ₹ 2,364.33 crore in Fiscal 2022.

Tax expenses

Our current tax expenses increased by 102.38% from ₹ 266.56 crore in Fiscal 2021 to ₹ 539.46 crore in Fiscal 2022 while our deferred tax expenses decreased by 99.85% from ₹ (55.16) crore in Fiscal 2021 to ₹ (0.08) crore in Fiscal 2022. Our effective tax rate in Fiscal 2022 and Fiscal 2021 was 27.08% and 20.04%, respectively. The increase in our effective tax rate Fiscal 2022 was primarily due to increase in profit before tax in Fiscal 2022 compared to Fiscal 2021.

Profit for the period

As a result of the foregoing, we recorded an increase of 104.39% in our profit for the year from ₹ 843.56 crore in Fiscal 2021 to ₹ 1,724.18 crore in Fiscal 2022.

Cash Flows

The following table summarizes our consolidated cash flows for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

(in ₹ crore)

Particulars	As of and for the period ended		
	March 31, 2021	March 31, 2022	March 31, 2023
Cash flow from operating activities before taxes	1,480.06	2,134.64	1,742.36
Net cash flow from operating activities (A)	1,303.95	1,561.20	1,506.86
Net cash from investing activities (B)	(796.89)	(1,799.94)	(1,954.95)
Net cash from financing activities (C)	(372.92)	166.80	430.96
Net increase/(decrease) in cash & cash equivalents (A+B+C)	134.14	(71.94)	(17.12)
Cash and cash equivalents at the beginning of the year	29.7	163.84	91.90
Cash and cash equivalents at the end of the year	163.84	91.90	74.78

Cash flows generated from operating activities

We generated ₹ 1,506.86 crore net cash from operating activities during Fiscal 2023 as compared to ₹ 1,561.20 crore in Fiscal 2022. The cash generated from operating profit before working capital changes in Fiscal 2023 was ₹ 1,499.65 crore and Fiscal 2022 was ₹ 2,588.72 crore. Cash generated from operations in Fiscal 2023 was lower than the previous fiscal year primarily due to decrease in Net profit before tax from ₹ 2,364.33 crore in Fiscal 2022 to ₹ 1,041.83 crore in Fiscal 2023, which is offset by the increase in trade payable by ₹ 333.29 crore, decrease in other current assets by ₹ 317.03 crore and adjustment of increase in depreciation of ₹ 190.68 crore.

We generated ₹ 1,561.20 crore net cash from operating activities during Fiscal 2022 as compared to ₹ 1,303.95 crore in Fiscal 2021. The cash generated from operating profit before working capital changes in Fiscal 2022 was ₹ 2,588.72 crore against ₹ 1,369.31 crore during Fiscal 2021. Cash generated from operations in Fiscal 2022 was higher than the previous fiscal year primarily due to increase in Net profit before tax from ₹ 1,054.96 crore in Fiscal 2021 to ₹ 2,364.33 crore in Fiscal 2022 which is primarily offset by increase in inventory by ₹ 1,026.80 crore , increase in other current assets by ₹ 382.66 crore.

Cash flows used in investing activities

Net cash from investing activities was ₹ (1,954.95) crore in Fiscal 2023, primarily used for purchase of property plant and equipment of ₹ 1578.92 crore, acquistion of subsidiary of ₹ 378.99 crore and increase in investment by ₹ 357.64 crore.

Net cash from investing activities was ₹ (1,799.94) crore in Fiscal 2022, as compared to ₹ (796.89) crore in Fiscal 2021. Net cash from investing activities in Fiscal 2022 was lower than in Fiscal 2021, primarily due to purchase of property plant and equipment of ₹ 939.88 crore and increase in investments by ₹ 676.94 crore.

Cash flows generated from financing activities

Net cash generated from financing activities in Fiscal 2023 amounted to ₹ 430.96 crore, primarily consists of due to repayment of borrowings of ₹ 618.10 crore which is primarily offset by payment of dividend of ₹ 114.79 crore and interest expenses of ₹ 71.69 crore.

Net cash used in financing activities in Fiscal 2022 was ₹ 166.80 crore, primarily due to proceeds from the issue of Equity shares for ₹ 625.58 crore which is offset by repayment of borrowings by ₹ 261.32 crore and dividend paid ₹ 183.66 crore and interest expenses of Rs 21.76 crore.

Net cash generated from financing activities in Fiscal 2021 amounted to ₹ (372.92) crore, primarily due to repayment of borrowings by ₹ 264.95 crore and dividend paid of ₹ 43.22 crore and interest expense of ₹ 64.96 crore.

Indebtedness

As of September 30, 2023, we had total borrowings (consisting of long term and short term borrowings) of ₹ 1,979.78 crore. Our debt-to-equity ratio was 0.29 as of September 30, 2023.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2023:

(₹ in crore)

Indebtedness	As of September 30, 2023
Short Term	
Secured	1,584.66
Unsecured	-
Total Short Term Borrowings	**1,593.59**
Long Term	
Loan from body corporate and others	258.25
Term loans (secured)	136.87
Term loans (unsecured)	-
Total Long Term Borrowing	**378.23**
Total Borrowings	**1,979.78**

Contingent Liabilities

As of September 30, 2023 our contingent liabilities that have not been accounted for in our financial statements, were as follows:

(*in ₹ crore*)

Particulars	As of September 30, 2023
Unredeemed bank guarantees on behalf of the joint venture company	
Other unredeemed bank guarantees	201.68
Bills discounted with banks	9.89
Demands/Claims by various Government authorities and others not acknowledged as debts:	
(i) Excise duty	113.36
(ii) Service tax	0.09
(iii) Custom duty	14.94
(iv) Sales tax/VAT/GST	2.30
(v) ESI	0.14
Total	**342.40**

For further information on our contingent liabilities, see section entitled "*Financial Statements*" beginning on page 287.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal year or in the future.

Off-balance sheet transactions

We have entered into various instruments and contracts such as derivative instruments, interest rate swap contracts, foreign currency forward contracts, letters of credit in relation to the export of our products and import of raw materials and capital goods. Any fluctuations in the exchange rates may have a significant effect on our business, results of operations and financial condition.

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Quantitative and qualitative disclosures about market risk

Our Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance our Company's operations and to support its operations. Our Company's financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Our Company is exposed to market risk, credit risk and liquidity risk. Our Company's senior management oversees the management of these risks. Our Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for our Company. Our Board of Directors reviews and agrees policies for managing each risk, which are as below:

Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings in foreign currencies.

Commodity Price Risk

We are exposed to fluctuations in the price of raw materials, intermediate and final products. The market price of these commodities fluctuate due to certain factors, such as government policy, level of demand and supply in the market and the global economic environment. Therefore, fluctuations in the prices of raw materials and our intermediate and final products have a significant effect on our business, results of operations and financial condition.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market interest rates. Our Company's exposure to the risk of changes in market interest rates relates primarily to our Company's long-term debt obligations with floating interest rates. Our Company is carrying its borrowings primarily at variable rate. Our Company expects the variable rate to decline, and accordingly our Company is currently carrying its loans at variable interest rates.

Exchange Rate Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our Company's functional currency is Indian Rupees (₹). Our Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects our Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. Our Company is exposed to exchange rate risk under its trade and debt portfolio. Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without our Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in our Company's receivables in foreign currency.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our Company monitors its risk of a shortage of funds by estimating the future cash flows. Our Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Our Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by our Company.

Inflation

In recent years, India has experienced relatively high rates of inflation. Inflation generally impacts the overall economy and business environment and hence could affect us.

For further information, see section entitled "*Financial Statements*" beginning on page 287.

Liquidity and Capital Resources

Our principal source of funding has been, and is expected to continue to be, cash generated from our operations, supplemented by funding from bank borrowings and optimization of operating working capital. We have historically met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, working capital requirements and other cash outlays, primarily with funds generated from operations and optimization of operating working capital as well as external borrowings.

Reservations, Qualifications and Adverse Remarks Included in Audited Consolidated Financial Statements

There are no reservations or qualifications or adverse remarks in the audit reports of our Statutory Auditors on our consolidated financial statements for the last five fiscals.

Further, except as stated below there are no matters of emphasis, or other observations in the Financial Statements and the audit reports on the audited consolidated financial statements for the last five fiscals and in the report on internal financial controls over financial reporting:

Fiscal	Details of matter of emphasis	Details of impact on financial statements and corrective steps taken by the Company	Corrective steps taken and/or proposed to be taken by the Company
2023	Nil	Nil	Nil
2022	Referred EOM para of Auditors Report on of Consolidated Financial Statement for the Financial Year 2021-22, The group has not considered the possible effects that may result from the pandemic relating to COVID-19 as same is not material. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these financial statements and the group will continue to closely monitor any material changes to future economic conditions.	Nil	Nil
2021	Referred EOM para of Auditors Report on of Consolidated Financial Statement , describe the uncertainties and potential impact of COVID 19 pandemic of the Group's operation and results as declared by the management. The actual Result may differ from such estimates depending on future developments.	Nil	Nil
2020	The Company has considered the possible effects that may result from the pandemic relating to COVID-19. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.	Nil	Nil
2020	Refer to Other Matter para, the consolidated Ind AS financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures.		
2019	Refer to Other Matter para, there were no pending litigations which would impact the consolidated financial position of the Group and its associates and joint ventures.	Nil	Nil

Reservations, Qualifications and Adverse Remarks Included in Audited Standalone Financial Statements

Except as stated below, there are no reservations or qualifications or adverse remarks in the audit reports of our Statutory Auditors on our standalone financial statements for the last five fiscals:

Fiscal	Details of reservation, qualification or adverse remarks	Details of impact on financial Statements and financial position of the Company, and corrective steps taken by the Company, if any	Corrective steps taken and/or proposed to be taken by the Company
2023	A. Para c of clause (i) immovable property having value amounting to Rs. 1.01 crore are not held in the name of the company.	Nil	The Company is in the process of getting perfection to title
	B. Para b of clause (ii) there is deviation in reported quarterly returns to bank or Financial Institution against its security deposit.	Nil	There is timing difference between the preparation of Quarterly Financial Result and Submission of Quarterly Returns to Banks. However, we ensure we do not claim any excess Drawing Power.
	C. Para vii (b) of CARO in the mentioned cases Rs. 22.03 crore is not deposited on account of The custom Act, 1962, Service Tax (The Finance Act 1994) and The central Excise Act, 1994.	In case of demand the company may need to deposit the amount and profit may decrease or on account of above event	The Pre-deposit fees against the demand have already been deposited. Company is taking all due steps in closing the disputed cases.
2022	A. Para c of clause (i) immovable property having value amounting to Rs. 1.01 crore are not held in the name of the company.	Nil	The Company is in the process of getting perfection to title
	B. Para b of clause (ii) there is deviation in reported quarterly returns to bank or Financial Institution against its security deposit.	Nil	There is timing difference between the preparation of Quarterly Financial Result and Submission of Quarterly Returns to Banks. However, we ensure we do not claim any excess Drawing Power.
	C. Para vii (b) of CARO in the mentioned cases Rs. 22.5 crore is not deposited on account of The custom Act, 1962, Service Tax (The Finance Act 1994) and The central Excise Act, 1994.	In case of demand the company may need to deposit the amount and profit may decrease or on account of above event	The Pre-deposit fees against the demand have already been deposited. Company is taking all due steps in closing the disputed cases.
2021	A. Para vii (b) of CARO in the mentioned cases Rs. 10.62 crore is not deposited on account of The custom Act, 1962, Service Tax (The Finance Act 1994) and The central Excise Act, 1994.	In case of demand the company may need to deposit the amount and profit may decrease or on account of above event	The Pre-deposit fees against the demand have already been deposited. Company is taking all due steps in closing the disputed cases.
2020	A. Para vii (b) of CARO in the mentioned cases Rs. 12.91 crore is not deposited on account of The custom Act, 1962, Service Tax (The Finance Act 1994) and The central Excise Act, 1994.	In case of demand the company may need to deposit the amount and profit may decrease or on account of above event.	The Pre-deposit fees against the demand have already been deposited. Company is taking all due steps in closing the disputed cases.
2019	A. Para vii (b) of CARO in the mentioned cases Rs. 11.62 crore is not deposited on account of The custom Act, 1962, Service Tax (The	In case of demand the company may need to deposit the amount and profit may decrease or on account of above event.	The Pre-deposit fees against the demand have already been deposited. Company is taking all due steps in closing the disputed cases.

	Finance Act 1994) and The central Excise Act, 1994.		

Further, except as stated below there are no matters of emphasis, or other observations in the Financial Statements and the audit reports on the audited standalone financial statements for the last five fiscals and in the report on internal financial controls over financial reporting:

Fiscal	Details of matter of emphasis	Details of impact on financial statements and corrective steps taken by the Company	Corrective steps taken and/or proposed to be taken by the Company
2023	Nil	Nil	Nil
2022	The Company has not considered the possible effects that may result from the pandemic relating to COVID-19 as same is not material. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.	Nil	Nil
2021	Referred EOM para of Auditors Report on of Standalone Financial Statement, describe the uncertainties and potential impact of COVID 19 pandemic of the company's operation and results as declared by the management. The actual Result may differ from such estimates depending on future developments	Nil	Nil
2020	Referred EOM para of Auditors Report on of Standalone Financial Statement, the Company has considered the possible effects that may result from pandemic relating to COVID-19. In developing the assumption relating to the possible future uncertainties in the global economic condition because of this pandemic, the company as at the date of approval of theses financial statement has used internal and external sources of information including credit reports and related information and economic forecasts. The impact of COVID-19 on the company's financial statement may differ from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any material changes to future economic condition.	Nil	Nil
2020	Refer to Other Matter para, The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.	Nil	Nil
2019	Refer to Other Matter para, The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.	Nil	Nil

Related Party Transactions

We have entered into transactions with several related parties, including our Promoter Group, Directors and Key Managerial Personnel, which were carried out in compliance with applicable laws. In particular, we have entered into various transactions with such parties in relation to, amongst others, remuneration, professional fees, rent expense, reimbursement of expenses and interest on unsecured loan. For further information relating to our related party transactions, see section entitled *"Related Party Transactions"* beginning on page 89.

Significant Economic Changes

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "– *Principal Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 93 and 43, respectively.

Unusual or Infrequent Events of Transactions

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Results of Operations*" and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 43 of this Preliminary Placement Document. To our knowledge, except as described or anticipated in this Preliminary Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Preliminary Placement Document, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

Significant developments subsequent to October 1, 2023 which may affect our future results of operations

Except as set out in this Preliminary Placement Document, in relation to:

1. Acquisition of Mittal Corp Limited by our Subsidiary, Shyam Sel and Power Limited, *vide* order of the National Company Law Tribunal dated October 18, 2023 in relation to the resolution plan of Mittal Corp Limited.

2. Amalgamation of Hrashva Storage and Warehousing Private Limited with our Subsidiary, Shyam Sel and Power Limited *vide* order of the National Company Law Tribunal dated September 22, 2023 in the Scheme of Amalgamation between Shyam Sel and Power Limited and Hrashva Storage and Warehousing Private Limited.

to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Preliminary Placement Document which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

1. Indian and global macroeconomic review

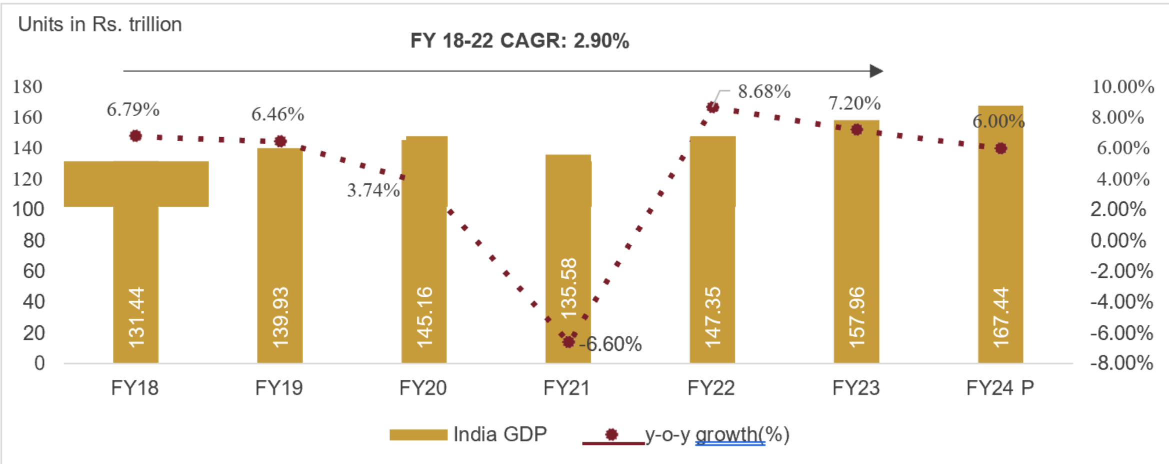
1.1. India's GDP trend

In 2015, the Union Ministry of Statistics and Programme Implementation changed the base year for calculating India's gross domestic product (GDP) to Fiscal 2012 from Fiscal 2005. Based on this, the country's GDP rose at 2.90% compound annual growth rate between Fiscals 2018 and 2022 to Rs 147.35 trillion. However, GDP declined 6.60% in Fiscal 2021 on account of the Covid-19 pandemic and global slowdown.

The post-pandemic scenario proved positive for India. GDP rose 8.68% on-year in Fiscal 2022, with many sectors, specifically healthcare, being a major contributing factor.

During Fiscals 2018 to 2022, India's GDP faced several pandemic-induced headwinds. Growth, which turned negative in Fiscal 2021, gained stability in Fiscal 2022 with increased demand and the government's stimulus in terms of investments and initiatives. Consumption in both the private and government sectors recorded positive growth in Fiscal 2022.

India's GDP trend



Source: Central Statistical Office (CSO), CRISIL MI&A ConsultingP: Projected
FY: Fiscal Year

In Fiscal 2023, GDP grew by 7.20% on-year from Rs. 147.35 trillion in Fiscal 2022. The economy illustrated slackened signs of growth registering a growth rate of 4.40% in the third quarter, slower than 6.30% in the previous quarter and 5.20% in the same quarter of Fiscal 2022. Growth was lower in all demand segments, with manufacturing leading the slowdown from supply side. Demand in coming years is expected to damp down further amid the rate hikes effected by the Reserve Bank of India (RBI) that have continued to raise borrowing cost.

However, growth was slower in all demand segments in Fiscal 2023, with private consumption, government consumption expenditure and imports recording the sharpest fall.

Yearly demand-side real GDP growth (%)

At constant 2011-12 prices	FY18	FY19	FY20	FY21	FY22	FY23
Private consumption	6.20	7.60	5.50	-9.10	11.23	7.53
Government consumption	11.90	6.30	7.90	2.90	6.57	0.13
Gross fixed capital formation	7.80	9.90	5.40	-10.80	14.64	11.39
Exports	4.60	12.30	-3.30	-4.70	29.29	13.57

Imports	17.40	8.60	-0.80	-13.60	21.82	17.12

Source: CRISIL MI&A Consulting, CSO

On the supply side, agriculture and allied sectors sustained their momentum, while industry and services were severely impacted by the pandemic in Fiscal 2021. In Fiscal 2023, growth in manufacturing and service sectors slid, but accelerated in agriculture, construction, mining, and electricity.

On-year supply-side gross value-added by economic activity

At basic prices	FY18	FY19	FY20	FY21	FY22	FY23
Agriculture and allied	6.60%	2.60%	4.30%	3.60%	3.50%	4.00%
Industry*	5.90%	5.30%	-1.20%	-7.00%	8.50%	6.80%
Manufacturing	7.50%	5.30%	-2.40%	-7.20%	11.10%	1.30%
Construction	5.20%	6.30%	1.00%	-8.60%	14.80%	9.00%
Services^	6.30%	7.20%	7.20%	-8.40%	9.40%	9.40%

** Industry includes mining and quarrying, electricity, gas, water supply and other utilities*
^ Services include those related to trade, hotels, transport, communication, broadcasting, finance, real estate, public administration, defence, and professional and other services
Source: CRISIL MI&A Consulting, CSO

In the coming Fiscal year 2024, India's GDP growth is expected to slow-down to 6.00% as against 7.20% in Fiscal 2023 based on following factors:

- Demand for goods is trending downwards and is expected to slow further, both at the domestic and global levels. Domestically, the transmission of the RBI's rate hikes has picked up since December 2022, and key rates have either surpassed or reached close to the pre-pandemic 5-year average. The transmission is yet to be completed, which is likely to lead to a further rise in borrowing costs. This could take some steam off domestic demand next Fiscal

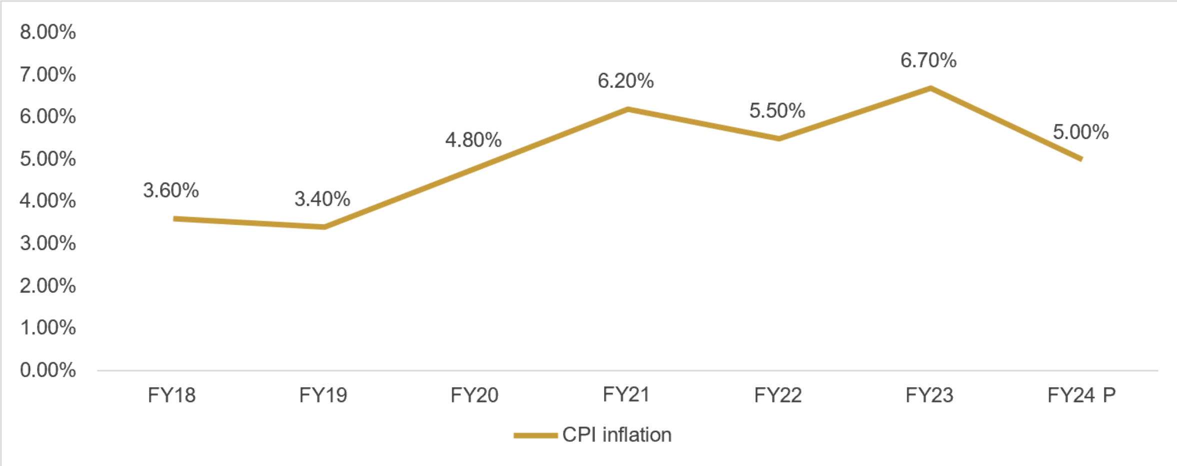
- The advanced economies will inevitably face slower growth in 2023 as their interest rates are already at decadal highs. They account for 45.00% of India's exports, which will bear the brunt of weaker demand

1.2. Performance of key macroeconomic indicators

India's average Consumer Price Index (CPI) inflation rate remained at an average of ~4.70% during Fiscals 2018 to 2022. The rate increased to 6.70% in Fiscal 2023 after moderating to 6.44% in February 2023, from 6.52% in January 2023. Even with the moderation, the range remained outside the central bank's target band (2-6%) for yet another month. The easing was on account of the slowing pace of fuel inflation. Core inflation slowed a tad during the month as compared with January, driven by lower inflation in clothing and footwear (8.80% versus 9.10%), education (5.60% against 5.80%), recreation and amusement (4.80% compared with 5.10%), and personal care (9.40% versus 9.60%).

CPI inflation is expected to remain moderate this Fiscal, helped by lower fuel and core inflation.

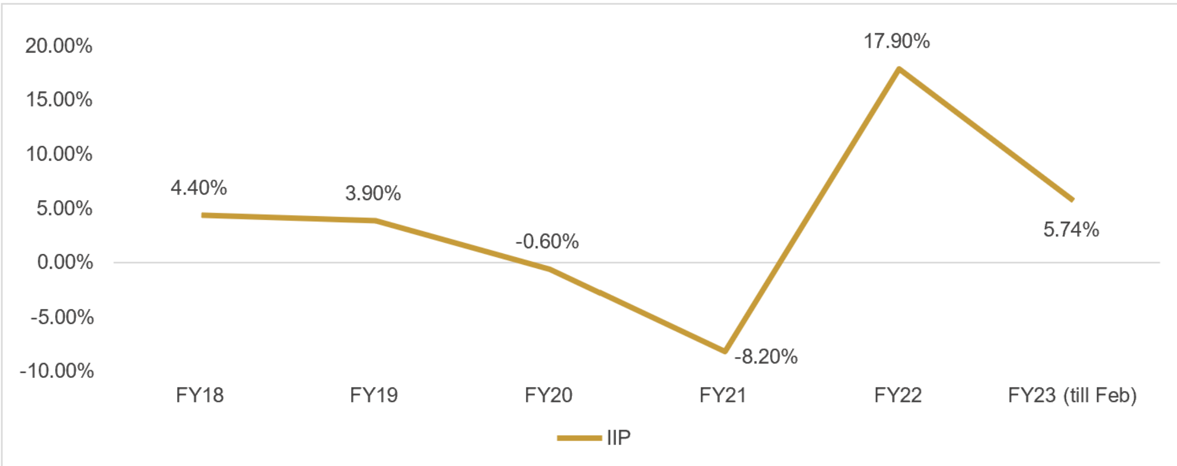
Trend in CPI Inflation



Source: National Statistical Office (NSO), Ministry of Industry and Commerce, CRISIL MI&A ConsultingP: Projected

The Index of Industrial Production (IIP) averaged at 3.48% from Fiscals 2018 to 2022 before increasing to 5.74% in Fiscal 2023. The index rose to 5.20% on-year in January 2023 compared with 4.70% the previous month. A pick-up in manufacturing and electricity production supported growth. Within manufacturing, growth was high in industrial and infrastructure-related goods, but consumer-oriented sectors weakened.
Industrial growth is expected to be hit by slowing global and domestic demand in Fiscal 2024, with a sharp rise in interest rates weighing on purchasing power.

Trend in IIP growth



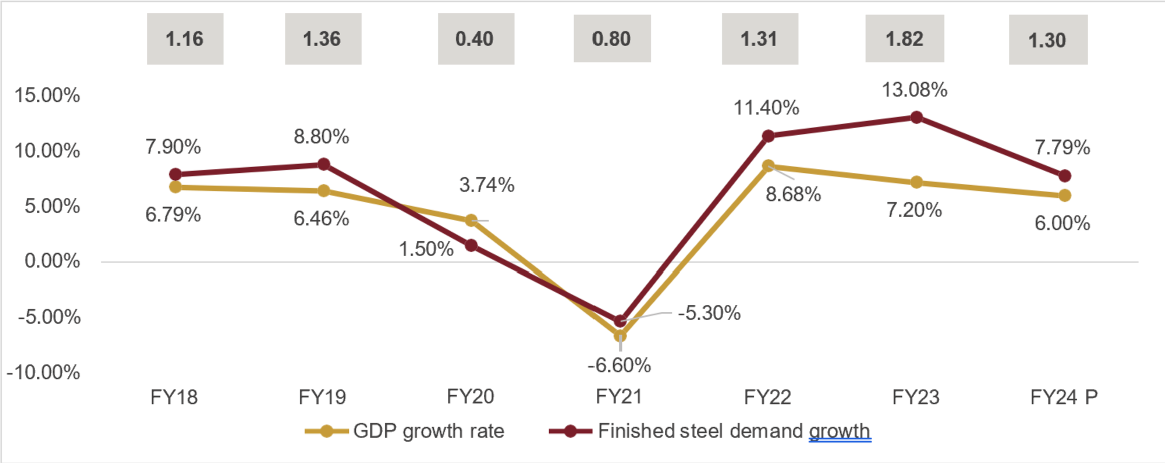
Source: NSO, Ministry of Industry and Commerce, CRISIL MI&A Consulting

1.3. Correlation of steel demand growth with GDP growth

Steel demand is closely related with GDP growth, with the steel demand to GDP growth multiplier varying across the years. India's steel demand growth has primarily outpaced the GDP growth rate during the Fiscals 2018 to 2023, except when the pandemic hit during end-Fiscal 2020 and had a severe effect till Fiscal 2021. The sector's growth suffered since demand slowed in key end-use sectors such as construction, infrastructure, and automobiles.

Once the country began to recover from the effects of the pandemic, the steel demand growth to GDP growth multiplier was at 1.31 in Fiscal 2022

Finished steel demand growth v/s GDP growth



Note: Figures in boxes represent steel demand growth to GDP growth multiplier.Source: CRISIL MI&A Consulting, Industry
P: Projected

1.4. Macroeconomic factors impacting the Indian steel sector

India's steel industry is a key contributor to its economic growth, accounting for a significant share of the manufacturing sector. Its performance is influenced by macroeconomic factors such as GDP growth, inflation, exchange rates and gross fixed capital formation. The impact of these factors is analysed below:

GDP growth: Growth in the industry is closely linked to GDP growth. As GDP grows, demand for steel products from the construction, infrastructure, and other manufacturing sectors also increases. Steel demand grew 11.44% in Fiscal 2022 and at 13.38% in Fiscal 2023 and is expected to grow at 7.78% in Fiscal 2024, backed by government infrastructure spending, strong demand from the automotive sector and demand from the consumer goods sector.

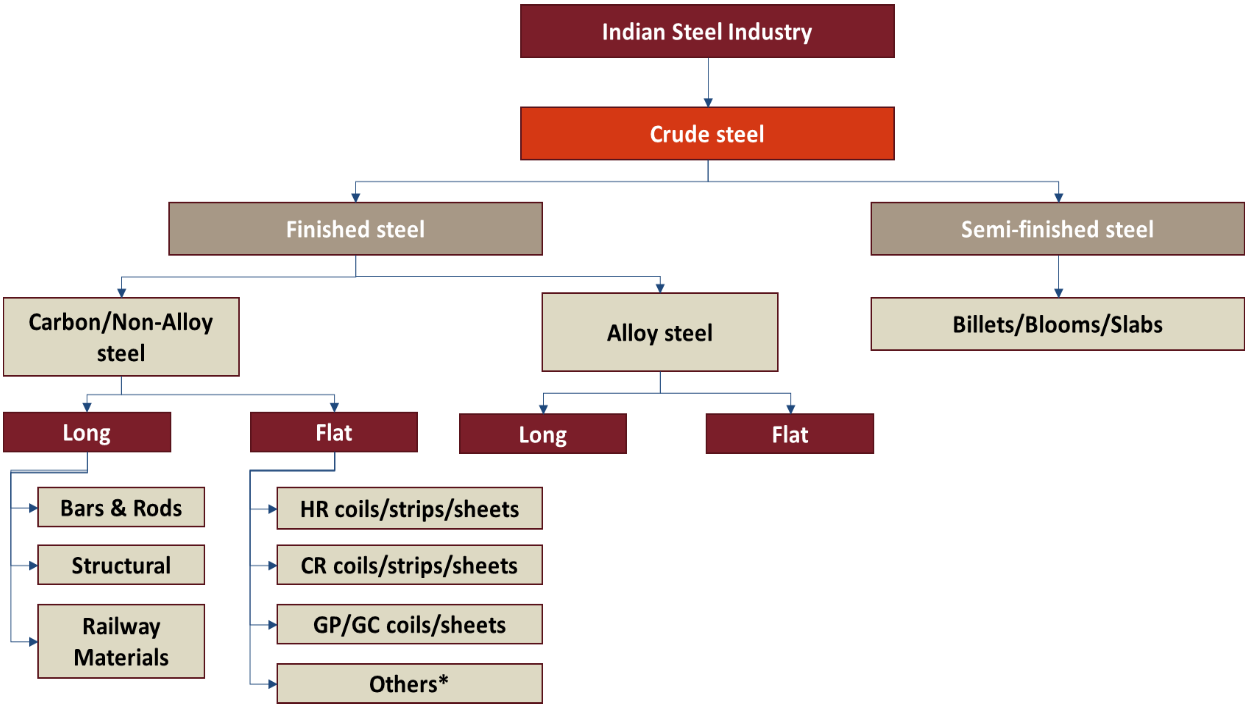
Inflation: Rising inflation also pushes up input costs associated with raw materials, energy and transportation, which can affect the profitability of steel manufacturers. It can also lead to increased interest rates, which can affect demand for steel products, given that borrowing costs become more expensive for businesses and consumers. The impact of rising inflation is also felt through low consumer spending, which affects key steel-consuming industries such as the automotive and consumer goods industries.

Exchange rates: The exchange rate of the Indian rupee against other major currencies affects the steel industry closely. A stronger rupee can lead to a decrease in the cost of imported raw materials, which can reduce the cost of production for steel manufacturers, and vice versa.

Gross fixed capital formation (GFCF): The GFCF measures investment in fixed assets such as machinery, buildings and infrastructure. During 2018-22, the Indian steel sector witnessed significant growth in terms of production and capacity expansion. The GFCF increased from Rs. 47.80 lakh Cr in Fiscal 2018 to Rs. 48.80 lakh Cr in Fiscal 2022. This increase was primarily led by investments in capacity expansion, modernization and technology upgradation.

2. Indian steel industry overview

2.1. Structure of India's steel industry



** Others include Prime plate (PM) plates, Hot strip mill (HSM) plates, colour coated coils/sheets, electrical coils/sheets, tin plates, tin free steel, (Tin Mill black plate) TMBP, pipes etc.*
Source: CRISIL MI&A Consulting, Industry

2.1.1. Types/definition of steel

By product

Long products: Finished long steel products are typically produced by hot rolling/forging of bloom/billets/ingots into useable shape/sizes. These are normally supplied in straight length/cut length, except wire rods, which are supplied in wound coils. The different types of long products include bar and rods (Thermo mechanically treated (TMT) bars, wire rods, round bars, etc), structural steel (angles, channels, beams, fabricated sections, girders, etc), and railway materials.

Flat products: Flat products are produced from slabs/thin slabs in rolling mills using flat rolls. Flat products comprise hot rolled (HR) and cold rolled (CR) coils, coated products, etc. HR flat products are produced by re-rolling of slabs/thin slabs at high temperatures (above 1,0000C) in plate mills or in hot strip mills. CR coils/strips are produced by cold rolling of HR coils/strips in cold rolling mills (normally at room temperature). CR coils/strips/sheets are characterized by lower thickness, better/bright finish, and specific mechanical/metallurgical properties.

By composition

Alloy steel: Steel that is produced with one or more elements in specified proportions to impart specific physical, mechanical, metallurgical and electrical properties is called alloy steel. Stainless steel is one such type of alloy steel.

Alloy/stainless steel is manufactured in different grades, with varying proportions of carbon and other elements. Common elements used to make alloys are manganese, silicon, nickel, lead, copper, chromium, tungsten, molybdenum, niobium, and vanadium.

Alloy/stainless steel are used in forgings, tools and dies, bearings, fasteners, etc. These are subsequently used in manufacturing by end-use sectors such as automobiles, power, oil and gas, industrial machines, railways/ mass rapid transport systems, defence, etc. Some popular applications are in products such as crankshafts, connecting rods, cam shafts, bearings, fasteners, railway carriage wheels, bomb shells, cutting tools, surgical instruments, and utensils.

Non-alloy steel: non-alloy or carbon steel comprises iron and carbon. It is the most produced variant of steel (comprised 93-95% share of finished steel production of India in the past five years). The main components are carbon, manganese and silicon in proportions of up to 1.70%, 0.90% and 0.30%, respectively. A change in the composition of carbon affects the properties of carbon steel. The steel, by definition, does not contain any alloying element.

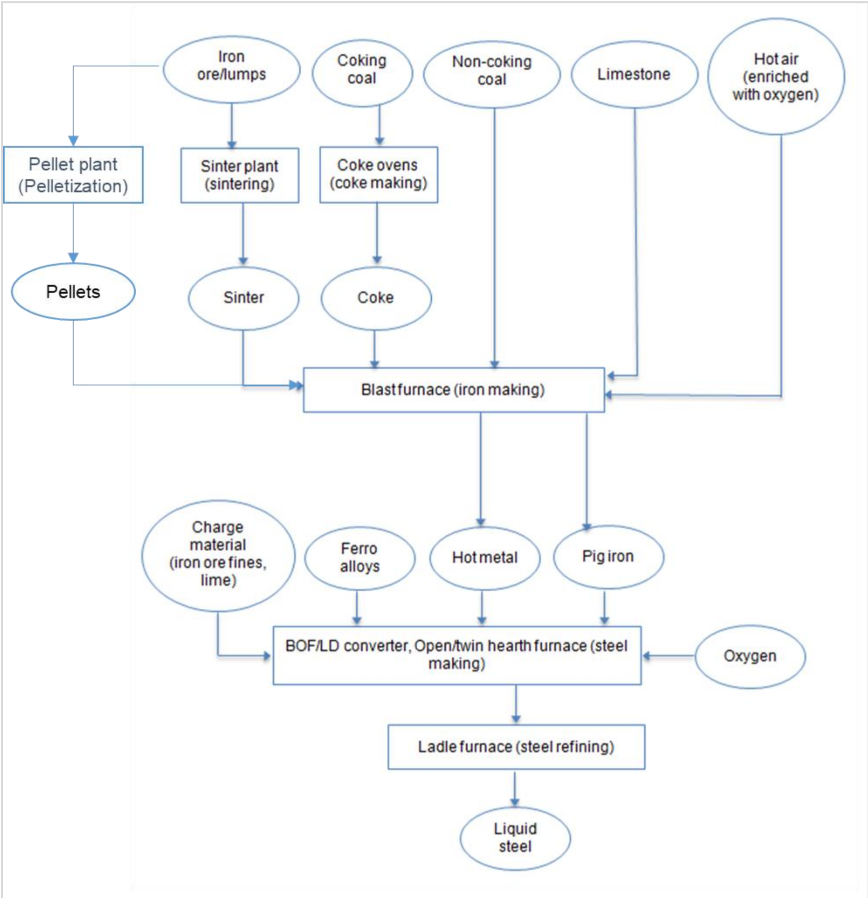
Non-alloy steel is used in end-user sectors such as construction, infrastructure, automobiles, consumer durables, etc. Some popular applications are in buildings, bridges, rails, pipelines, body panels for cars, refrigerators, and washing machines.

Manufacturing process

There are three popular processes to produce crude steel from raw materials – basic oxygen furnace (BOF), electric arc furnace (EAF), and induction furnace (IF).

In BF/BOF, iron ore and coking coal are fed into a blast furnace (BF) to produce hot metal. The BOF converts the hot metal into crude steel.

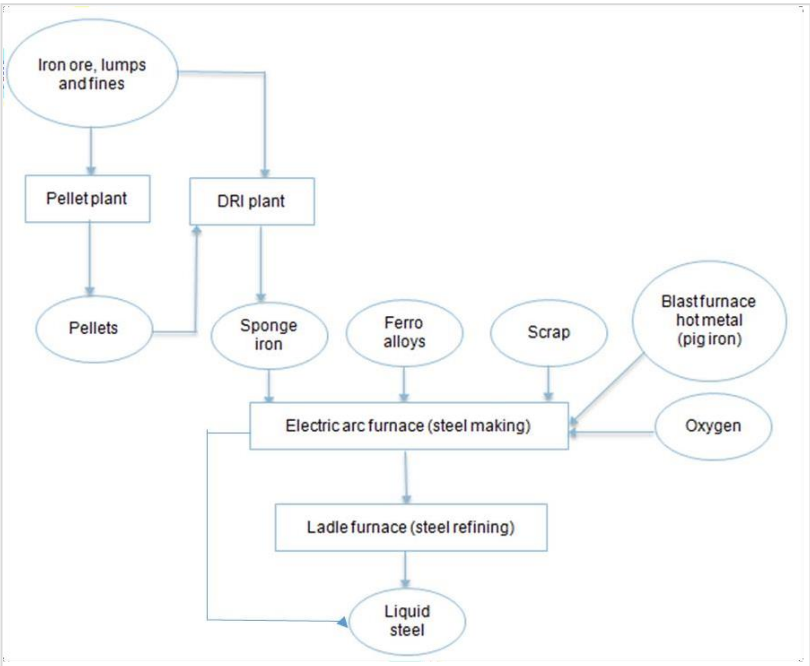
BF/BOF process



Source: CRISIL MI&A Consulting, Industry

Steel scrap, pig iron or sponge iron is used as raw material in an EAF and IF. The raw material is melted using heat generated with the aid of an electric arc produced by graphite electrodes.

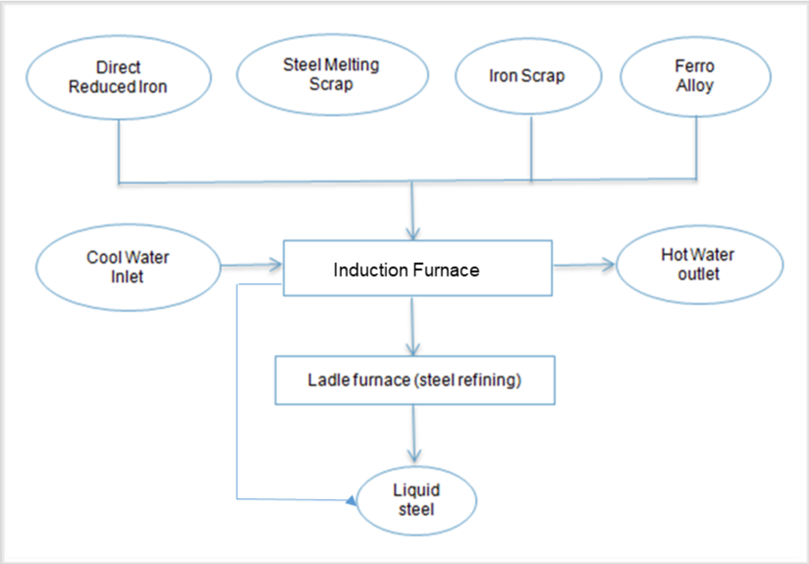
EAF process



Source: CRISIL MI&A Consulting, Industry

Further in the IF process, heat is generated through electromagnetic induction in an electrically conductive medium (usually a metal).

IF process

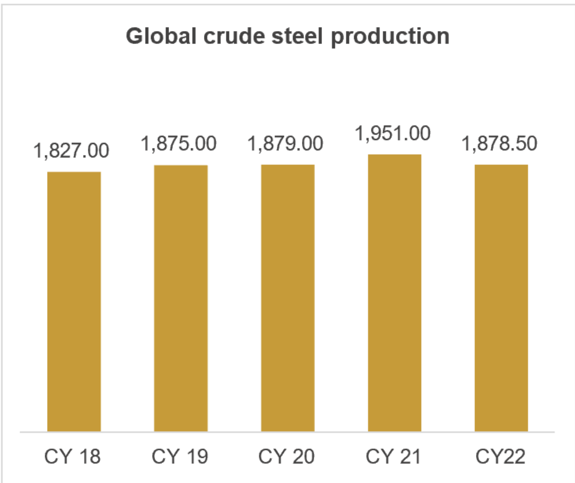


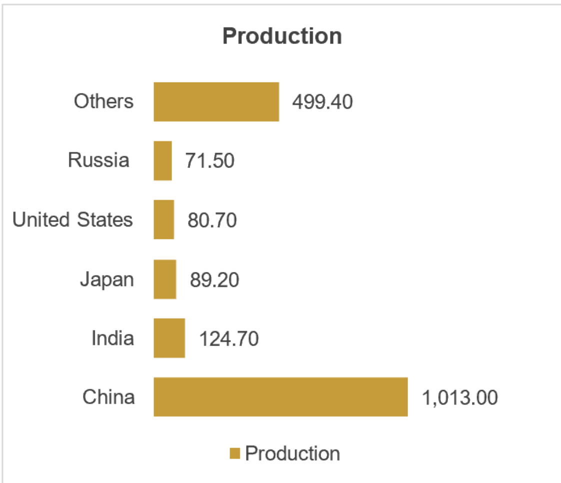
Source: CRISIL MI&A Consulting, Industry

2.2. India's position in the global steel market

India has been the #2 global steel producer since 2018. Of the 1,878 MT of global crude steel production, India accounted for 6.64% share, or ~125 MT, in 2022.
Globally, crude steel production increased to 1,878 MT in 2022 from 1,827 MT in 2018, which was a CAGR of 0.70%, while India's crude steel production grew at a 4.02% CAGR, higher than world average.

Global crude steel production from 2018 to 2022 and share of major countries in 2022 (MT)



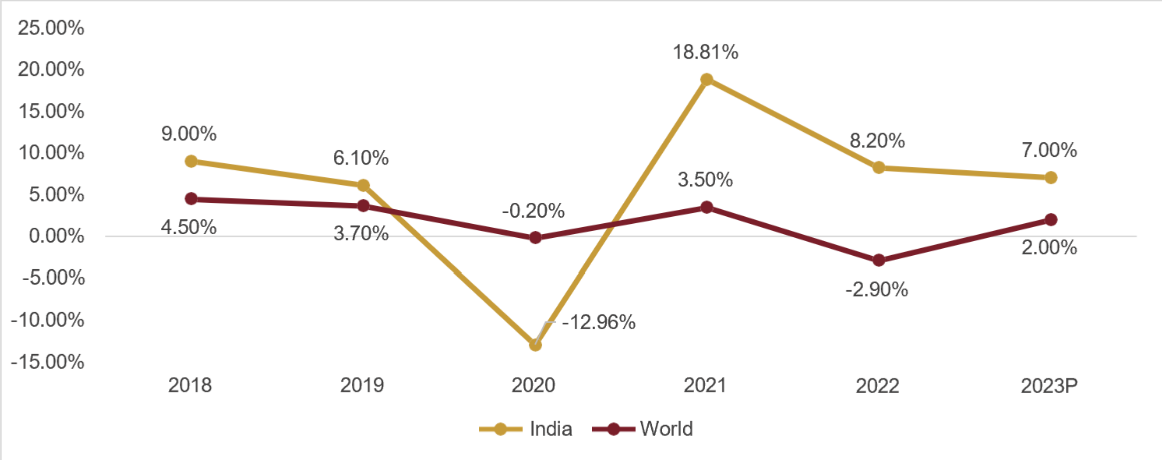


Source: World Steel Association

At the global level, all major economies registered a y-o-y decline in steel demand in calendar year 2020. However, Chinese steel demand grew at 9.11% on-year in CY 2020, on account of the country's quick recovery from the first wave of Covid-19 and receipt of a stimulus package to spur industrial and economic activity. But in CY 2021 its demand declined 4.32%, resulting in global demand slipping 3.49% on-year in CY 2021. In CY 2022, high inflation, tightening global monetary conditions, and slowdown in production in China, saw the global steel sector remain under pressure.

In CY 2023, though, global steel demand is forecast to grow 1.95%, i.e., to 1,822 MT, as per the World Steel Association. This projection is on back of effect of persistent inflation and high interest rate in most economies.

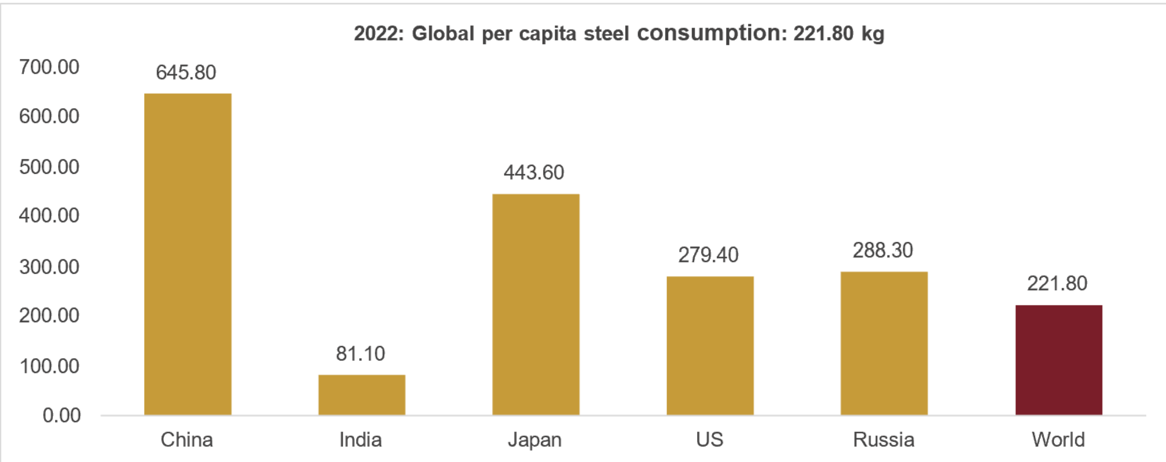
Growth in Indian finished steel demand vis-à-vis global finished steel demand



Note: Above growth rates are for calendar years
Source: World Steel Association
P: Projected

That said, globally, per capita steel consumption declined marginally from 223.20 kg in 2018 to 221.80 kg in 2022 Developed economies such as the US, EU, Japan, and China have significant expenditure on infrastructure and relatively more steel-intensive housing/commercial establishments, leading to higher per capita consumption of steel. On the other hand, India's per capita steel consumption was comparatively very low at 81.1 kg per capita. However, with increasing thrust on infrastructure development in India, the underpenetrated Indian steel market holds high growth potential.

Per capita steel usage in India vis-à-vis global benchmarks for 2022 (in kg)

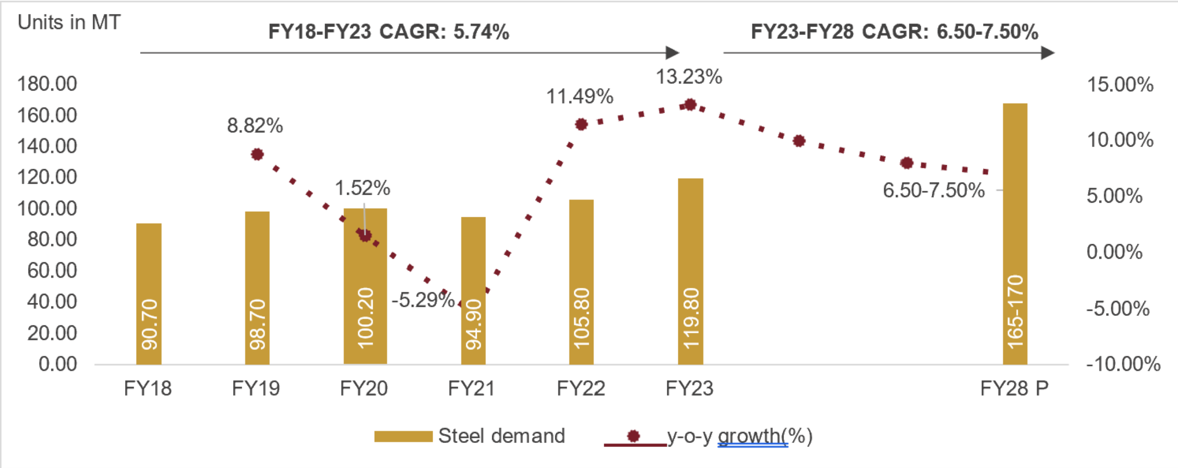


Source: World Steel Association

2.3. Indian steel sector review and outlook

The domestic steel industry has witnessed a significant growth at a CAGR of 5.74% over Fiscals 2018-23 rising from 90.72 MT in Fiscal 2018 to 119.80 MT in Fiscal 2023 because of aggregate effect of growth in the end-use sectors of steel such as automobile, infrastructure, construction, etc and market volatility faced during Covid-19. It is expected to grow even faster at a CAGR of ~7% till Fiscal 2028 rising to 165-170 MT.

Indian finished steel demand growth



P: Projected
Source: Joint Parliamentary Committee (JPC), CRISIL MI&A Consulting

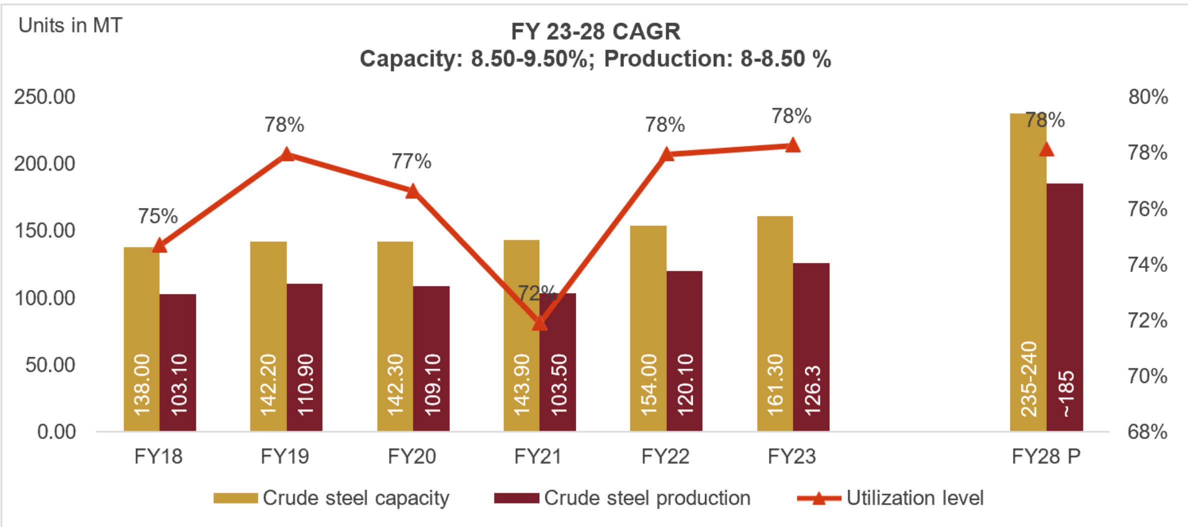
2.3.1. Utilisation levels expected to remain rangebound with new capacity additions coming onstream

Indian steelmaking companies have added an aggregate of nearly 24 million tons (MT) of crude steel capacity in the past Fiscal period 2018-23. While production was affected in 2021 following outbreak of Covid-19, with utilization levels dropping to 72%, it recovered to 78% in Fiscal 2022 and Fiscal 2023 as restrictions were lifted and domestic demand rebounded.

In Fiscal 2023, despite healthy growth in domestic demand and limited capacity additions, utilization levels remained constant owing to sharp fall in exports. Imposition of export duty between May and November 2022, along with weak global demand, cut exports by ~50%.

Over the next five years, i.e., till 2028, addition of 70-75 MT of capacities is expected, which includes greenfield as well as brownfield projects. Of this capacity addition, 90-95% of the capex is by key integrated steel players. As new capacities are commissioned, the industry's utilization levels are expected to remain at 75-80%.

India crude steel supply growth



P: Projected
Source: JPC, CRISIL MI&A Consulting

Within the industry, the share of BOF capacity is expected to increase by Fiscal 2028. However, over the longer term, there is expected to be a shift towards the EAF/IF routes owing to growing environmental concerns, improved availability of scrap, higher production of sponge iron, and the government's focus on domestic production of value- added steel.

2.4. Impact of government regulations and policies on the Indian steel sector

2.4.1. Government regulations to promote the domestic steel industry

In May 2022, the government-initiated attempts to improve the availability of steel in the domestic market to boost domestic demand and bring rising steel prices in check. It imposed an export duty of 15% on an array of finished steel products and pig iron. To ensure better availability of raw materials, the government increased export duty on 58% and above Fe-grade iron ore fines and lumps to 50% from 30%, and imposed 45% export duty on iron ore pellets, while reducing the import duty on inputs for the steel industry, such as coke, coal, and ferronickel, to nil.

Following the export duty levied on steel products, India's steel exports stood at 3.50 MT over May-November 2022, down 59% y-o-y. Increase in cost made exports unviable, increasing domestic availability and reducing prices.

Prices for the domestic steel industry corrected 20-25% in November 2022 from the high rates in April. Consequently, the government withdrew export duty on raw material and steel products in November in order to pull industry profits from the lows of the second quarter of Fiscal 2022 and enable companies to enjoy margins in the overseas market. The duties applicable on steel products and its raw materials are summarised below:

Export duty on iron ore and steel intermediaries

Sl. No.	Product	Export duty (%) prior to May 22, 2022	Export duty (%) from May 22 to Nov 18, 2022	Export duty (%) after Nov 19, 2022
1.	Iron ore (lumps and fines <58% Fe)	Nil	50	Nil
2.	Iron ore (lumps and fines >58% Fe)	30	50	30
3.	Iron ore pellets	Nil	45	Nil
4.	Pig iron and spiegeleisen in pigs, blocks, or other primary forms	Nil	15	Nil
5.	Flat-rolled iron or non-alloy steel products with width of 600 mm or more, hot-rolled, not clad, plated or coated	Nil	15	Nil
6.	Flat-rolled iron or non-alloy steel products with width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	Nil	15	Nil
7.	Flat-rolled iron or non-alloy steel products with width of 600 mm or more, clad, plated or coated	Nil	15	Nil
8.	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel	Nil	15	Nil
9.	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn	Nil	15	Nil
10.	Flat-rolled stainless-steel products with width >=600mm	Nil	15	Nil
11.	Other bars and rods of stainless steel; angles, shapes, and sections of stainless steel	Nil	15	Nil
12.	Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel	Nil	15	Nil

Source: Ministry of Finance, PIB, CRISIL MIA Consulting

Import duty reimposed on raw materials of steel

Sl. No.	Product	Import -duty (%) prior to May 22, 2022	Import duty (%) from May 22 to Nov 18, 2022	Import duty (%) after Nov 19, 2022
1.	A. Anthracite/pulverised coal injection (PCI) coal B. Coking coal	2.50	NIL	2.50
2.	Coke and semi-cok0065	5.00	NIL	5.00
3.	Ferronickel	2.50	NIL	2.50

Source: Ministry of Finance, PIB, CRISIL MI&A Consulting

Government policy

The National Steel Policy (NSP), approved in May 2017 by the Union Cabinet, seeks to enhance domestic steel consumption, ensure high-quality steel production, and create a technologically advanced and globally competitive steel industry.

2.4.2. Vision for demand, supply, and trade in the NSP

- Increase consumption of steel across infrastructure, automobiles, and housing, resulting in a potential rise in per- capita steel consumption to 158 kg by 2030 from ~61 kg in Fiscal 2016
- Achieve 300 MT of steelmaking capacity by 2030 through additional investments of Rs 10 lakh crore by 2030- 2031
- Domestically produce steel for high-end applications, such as electrical steel (cold-rolled grain oriented), special steel and alloys for power equipment, aerospace, defence, and nuclear applications
- Eliminate reliance on imports and export ~24 MT of steel by 2030

Vision for access to raw materials and development of cost-effective advanced technology

- Ensure availability of raw materials, such as iron ore, coking coal and non-coking coal, and natural gas, at competitive rates through policy measures and asset acquisitions, among others
- Raise availability of washed coking coal to reduce its import dependence to 65% by Fiscal 2030-2031 (from 85% at present)
- Focus on pelletisation through investment in slurry pipelines and conveyors
- Emphasise on increasing the share of blast furnace to 60-65% of the crude steel capacity and production by 2030 and the remaining 35-40% share of electric arc and induction furnace by 2030-2031
- Adopt energy-efficient technologies in the micro, small, and medium enterprise (MSME) steel sector to improve overall productivity and reduce energy intensity

The NSP serves as a long-term policy goal for creating incremental demand and augmenting steel exports. It aims to set up additional capacity, increase production and self-sufficiency (by minimising imports), and remove procedural and policy bottlenecks in the availability of raw material. The policy targets an increase in export penetration and annulling of imports. It focuses on cost-efficient production through the blast furnace – basic oxygen furnace route.

NSP 2017 was preceded by NSP 2005, wherein the domestic steel industry well exceeded the targets set for Fiscal 2020. However, demand de-growth in Fiscal 2021 in light of the pandemic could be a major roadblock in achieving the Fiscal 2031 targets set under NSP 2017. In order to revise the planned targets, the key assumptions underlying the assumption of on-year GDP growth of 7.50% would need to be reassessed.

Indian steel industry: Historical trend and vision under NSP

Parameter	NSP 2005	NSP 2017	FY23
	FY20	FY30	
	(Target)	(Target)	Actuals
Crude steel capacity		300	161.3
Crude steel production	110	255	126.30
Finished steel demand	90	230	119.90
Finished steel import	6	0	6.02
Finished steel export	26	24	6.70

Source: CRISIL MIA Consulting, NSP 2005, NSP 2017

2.4.3. The production-linked incentive (PLI) scheme

- The government approved the PLI scheme for specialty steel in order to promote domestic manufacturing of specialty steel grades by providing financial incentives
- The PLI scheme aims to promote the manufacturing of specialty steel within India by attracting capital investment, generating employment, and promoting technology upgrades in the steel sector
- The government published the scheme guidelines on October 20, 2021
- The guidelines aim to offer clarity on the operational aspects of the scheme, such as the application, eligibility, approval, and disbursement of the incentive

Targeted sectors in the scheme

Coated/Plated Steel Products
- Galvannealed/Galvanized Iron-Auto Grade
- Tin mill Products
- Al-Zn Coated
- Colour Coated
- Coated/Plated products of Metallic/Non-Metallic Alloy

High Strength/Wear Resistant Steel
- Hot Rolled Coil, Sheets and Plates of American Petroleum Institute
- HR Coil, Sheets and Plates;
- High Tensile Sheets, Coil, and Plates;
- High Tensile Auto Gr Steel including Advanced High Strength Steel (AHSS) (Cold Rolled Closed Annealed);
- Boiler Grade/Pressure Vessels grade steel;
- QT/Abrasion Resistant and Wear Resistant steel

Specialty Rails
- Asymmetric rails
- Head Hardened rails

Alloy Steel Products and Steel Wires
- Tool & Die Steel;
- Valve steel;
- Bearing steel;
- Precipitation Hardened
- Stainless Steel;
- Automotive Power train
- Component grades of steel;
- Tyre Bead wire;
- C' Class Zinc Coated Wire;
- Zinc-Aluminium Coated Wire;
- Tyre Cord (Brass Coated):
- Oil Tempered Spring Steel Wire

Electrical Steel
- Cold Rolled Grain Oriented (CRGO) steel;
- Cold Rolled Non-Grain Oriented (CRNO).

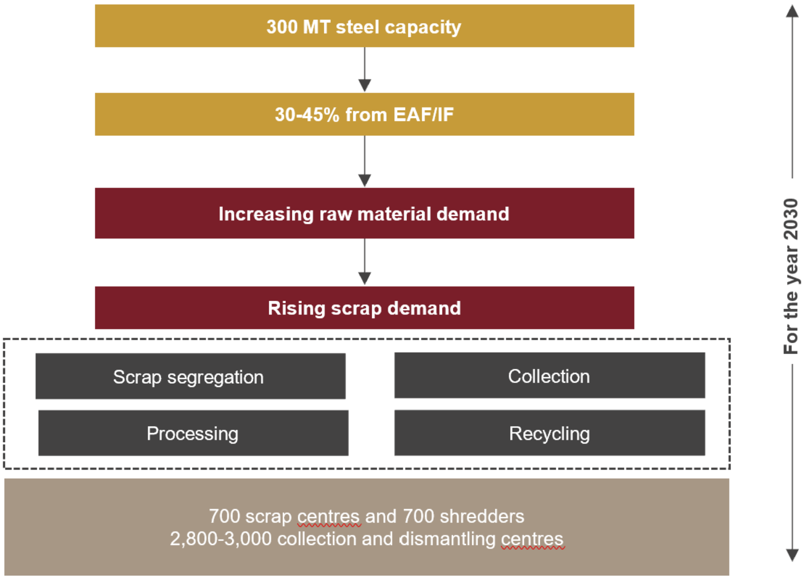
2.4.4. Steel Scrap Recycling Policy

Steel Scrap Recycling Policy, issued in 2019, is expected to help consolidate the fragmented steel scrap market in India. Market consolidation ensures increased availability of scrap and better-quality standards and can be enabled through various formal and scientific processes of collection, dismantling, processing, and recycling, leading to resource conservation and energy savings.

As envisaged in the NSP, the capacity of steel should rise to 300 MT by 2030, which will increase the demand for scrap. To cater to this demand, about 700 scrap centres, 700 shredders, and 2,800-3,000 collection and dismantling centres would be required.

- The policy estimates that the EAF/IF routes will account for 30-45% of overall production. Availability of raw materials for production is an important aspect highlighted under NSP 2017.
- Demand for scrap will increase, and raw material will be processed at a higher rate in the EAF and IF routes.

Steel Scrap Recycling Policy will help cater to the increase in demand while facilitating consolidation of the fragmented steel scrap market.



2.4.5. National Vehicle Scrappage policy

The Vehicle Scrappage Policy was announced by the Union Minister of Finance in the Budget on February 1, 2021, and then was approved by the Union Ministers for MSME and Road, Transport, and Highways:

- Under the policy, passenger vehicles that are more than 20 years old and commercial vehicles that are more than 15 years old will undergo a fitness test
- Key objectives of the policy include phasing out old vehicles, reducing pollution levels, stimulating automotive sales, and achieving a circular economy
- This policy will also ensure availability of scrap steel for automobile production, reducing cost to a great extent
- The government plans to set up 50–70 scrapping facilities for vehicles till 2026-27

Highlights of Union Budget FY23-24

In the Union Budget Fiscal 2023-24, the government continued its march towards Fiscal consolidation, comforted by a broad-based recovery in the Indian economy until now. It set a target of reducing Fiscal deficit to 5.9% of the GDP in Fiscal 2024, from 6.4% (revised estimates) in Fiscal 2023. It also reiterated its commitment to bring the Fiscal deficit below 4.5% of GDP by Fiscal 2026. Though Fiscal 2023 has witnessed a broad-based recovery and resilient domestic demand, headwinds from slowing global growth and tighter financial conditions threaten to hurt the country's economic prospects in Fiscal 2024. The government proposed to spend Rs. 45.03 lakh Cr in Fiscal 2024, an increase of 7.5% over the revised estimates of Fiscal 2023.

Budget estimates for Fiscal 2024:

- The receipt (other than borrowings) in Fiscal 2024 are expected to be at Rs. 27.16 lakh Cr, an increase of 11.7% over revised estimates of Fiscal 2023
- The net tax receipts are estimated at Rs 23.30 lakh crore
- The Fiscal deficit is estimated to be 5.90% of the GDP. It is aimed to bring the Fiscal deficit below 4.50% of GDP by FY26

- To finance the Fiscal deficit in FY24, the net market borrowings from dated securities are estimated at Rs 11.80 lakh crore

With respect to the announcements made in the end-use sectors of steel In the Union Budget 2023-24, the government announced an increase of 24% in the budgeted capital expenditure (capex), totalling Rs 18.60 lakh crore. Increase in allocation for the infrastructure, railways, automobile, power, and renewable sectors will drive growth in demand for steel.

Key announcements related to Infrastructure

- The outlay for the affordable housing sector under the Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) increased 12.50% against Fiscal 2023 Revised estimates (RE), to Rs 0.54 lakh crore, respectively. Allocation under the PMAY-G scheme had already surged last Fiscal, with the total expenditure rising to 0.48 lakh crore after an initial allocation of only Rs 0.20 lakh crore in the 2022-23 budget. The government approved an additional Rs 0.18 lakh crore in November 2022, which will also aid demand growth in the first half of Fiscal 2024

- The allocation to the PMAY-Urban is set to decline this year as it draws to a close, with over 1.08 crore units either completed or nearing completion, out of the sanctioned 1.23 crore units.

- The allocation of tax-free loan from the Centre to states is also set to increase 30% to Rs 1.30 lakh crore, providing a further boost to the infrastructure sector. Thus, demand from the infrastructure and affordable housing sector, comprising ~35% of steel demand, is projected to rise 10-12% this Fiscal.

- The budgeted outlay for rolling stock under railways is projected to jump over 150% in Fiscal 2024BE to Rs 37,581 crore, lifting flat steel demand, which accounts for 46% of overall steel demand.

- 157 nursing colleges to be established in co-location with the existing 157 medical colleges established since 2014. This will boost construction sector and thus, steel demand

- Central assistance of Rs 5,300 crore to be given in the drought prone central region of Karnataka to Upper Bhadra Project to provide sustainable micro irrigation and filling up of surface tanks for drinking water

- The outlay for PM Awas Yojana enhanced by 66% to Rs 79,000 crores

- Rs 15,000 crores to be provided for Pradhan Mantri Particularly Vulnerable Tribal Groups (PVTs) Development Mission in the next three years to improve socio-economic conditions (home, food, health, education) of the particularly vulnerable tribal groups (PVTGs)

- 50 additional airports, heliports, water aerodromes and advance landing grounds to be revived for improving regional air connectivity

- All cities and towns to be enabled for 100% mechanical desludging of septic tanks and sewers to transition from manhole to machine-hole mode

Expected impact on infrastructure activities

- The increase in gross budgetary support and grants allocated for capital creation to 74% from 69% of overall capital outlay indicates the government's reliance on direct budgetary support, thereby improving Fiscal transparency

- The 11 core infra ministries account for about 65% of overall capex, where roads and railways alone account for about 44% of the overall infrastructure capex

Expected impact on railways

- The increase in share of gross budgetary support in railways capex to 82% from 62% and reduction in Internal and Extra Budgetary Resources (IEBR) from 18% from 38% shows the shift in government's reliance towards gross budgetary support and reducing its reliance on external budgetary sources

- The rise in allocation to railways will drive completion of dedicated freight corridors and national high- speed corridors, as well as infrastructure modernization

Expected impact on roads & highways

- Similar to the previous Fiscal, the elimination of Internal and Extra Budgetary Resources (IEBR) limit will reduce dependence on the National Highways Authority of India's (NHAI's) borrowings

- The reduction in asset monetization target to Rs 10,000 crore from Rs 20,000 crore

- The budget introduced provisions for making unit redemption of infrastructure investment trusts (InviTs) taxableat the hands of the unitholders, it was non-taxable earlier

  - The move is aimed at widening the tax base.

  - While this would increase the tax outgo for investors, attractive risk-reward dynamics are expected to keepinvestor interest buoyant in InvITs in the roads sector.

Key announcements related to Automobile

- Nine lakh old vehicles owned by the central and state governments to be scrapped and replaced

- Customs duty exemption extended to import capital goods and machinery required for manufacturing lithium-ion cells for batteries used in electric vehicles (EVs)

Expected impact

- According to a notification by the road transport and highway ministry, 9 lakh government vehicles, which would account for about 6% of CV and passenger vehicle (PV) consolidated sales considering a 3-year sales spread, comprising PVs that are older than 15 years, will be scrapped from April 1, 2023. This will lead to incremental demand for cars during the envisaged policy period, and is likely to drive up EV adoption

- Customs duty exemption on import of machinery for manufacturing of lithium-ion cells and an extension of subsidies on EV batteries for one more year will boost domestic manufacturing. At present, the entire requirement is met through imports. Local manufacturing of cells will ease prices of vehicles, facilitating EV adoption

- Medium and heavy commercial vehicle (CV) sales are expected to rise 35-37% on-year this Fiscal, on a low base, supported by a healthy 14% rise in capital outlay. Next Fiscal, with capital outlay rising 28%, multi-axle vehicles, tractor trailers and tipper trucks will benefit

- Though hydrogen has high scope in decarbonization of the auto industry, particularly in CVs, impact of the National Green Hydrogen Mission is expected to be visible in the automobile industry only after 2030, due to lack of infrastructure and model availability. Most of the hydrogen produced is expected to replace grey hydrogen in refining and fertilizer manufacturing. Our estimates suggest only 1.00-1.50 MT of green hydrogen will be domestically consumed, and the remaining will be exported

Key announcements related to Power & Renewable sector

- Allocation to the Ministry of New and Renewable Energy (MNRE) increased by ~38% in Fiscal 2024 over Fiscal 2023RE at Rs 47,580 crore:

  - The government announced viability gap funding (VGF) for 4 GWh (1 GW assuming 4 hours of storage) of battery storage projects

  - The total outlay planned for Indian Renewable Energy Development Agency Limited (IREDA), including internal and extra-budgetary resources (IEBR) increased ~40% over Fiscal 2023RE to over Rs 35,000 crore in Fiscal 2024

- Similarly, Solar Energy Corporation of India (SECI) allocation has grown ~5% on a high base to a little over Rs 2,000 crore
- Allocation to key non-fossil fuels of solar and biomass power increased ~44% and ~3x, respectively, over Fiscal 2023RE totaling Rs 5,700 crore
- Allocation to the Pradhan Mantri Kisan Urja Suraksha Evam Utthaan Mahabhiyan (PM-KUSUM) scheme increased ~51% over Fiscal 2023RE to close to Rs 2,000 crore
- The government will provide Rs 8,000 crore support for a Rs 20,700 crore transmission scheme for evacuation of 13 GW from the Ladakh region and Rs 500 crore support for evacuation of renewable energy under the Green Energy Corridor
- Green hydrogen production target has been set at 5 MT by 2030 under the National Green Hydrogen Mission.

- The allocation for Fiscal 2024 is Rs 300 crore, out of the total Rs 19,500 crore assigned to the scheme
- The total budget of the Ministry of Power (MOP) has increased ~24% for Fiscal 2024 over Fiscal 2023RE at Rs 79,420 crores:
  - Allocation to the Revamped Distribution Sector Scheme (RDSS) doubled to Rs 12,000 crore
  - Allocation of Rs 100 crore for manufacturing zones related to power equipment under the Aatmanirbhar Bharat package
- Green credit programme to be notified under the Environment Protection Act (EPA) to incentivize sustainable actions by companies, individuals, and local bodies
- Inter-state transmission system for evacuation and grid integration of 13 GW renewable energy from Ladakh to be constructed with investment of Rs 20,700 crore including central support of Rs 8,300 crore
- 500 new plants to be established under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme for promoting circular economy. These will include 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at total investment of Rs 10,000 crore
- To facilitate 1 crore farmers to adopt natural farming over the next 3 years, 10,000 Bio-Input Resource Centers to be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network
- Promotion of coastal shipping for energy efficient transportation both for passengers and freight, through public private partnership mode with viability gap funding

Expected impact

- While the government showcases intent for emerging areas such as green hydrogen, energy storage and renewable energy grid integration, the actual spend remains limited, with 90% of the budget still lying under business-as-usual line items
- Battery projects of 4 GWh will form 2.70% of overall battery storage demand of 150 Gwh (37.50 GW) and 1.7% of total storage demand of 220 Gwh (55 GW) till Fiscal 2031. Overall, this is a small step in the right direction for India's clean energy transition in power
- The share of allocation to solar power out of all renewable fuels is 77% in Fiscal 2024BE. This allocation is linked to central financial assistance towards multiple schemes run by the ministry such as solar rooftop subsidy, development of solar parks, VGF for CPSU (Central Public Sector Undertaking) schemes, etc.
- KUSUM allocation of Rs 1,996 crore in Fiscal 2024BE would provide further impetus to purchase subsidized solar pumps and installation of solar plants

- The production target of 5 MT of green hydrogen by 2030 will lead to an associated capacity addition in renewable energy of 110-130 GW

- The allocation of Rs 287 crore in Fiscal 2024BE to bio-power can enable around 50 MW of capacity at an estimated capex Rs 6 crore per MW

- The RDSS with a central allocation of Rs 12,000 crore in Fiscal 2024BE, will see 13 key states that enrolled in the scheme contribute around Rs 34,500 crore

- Budgetary allocation of Rs 100 crore for manufacturing zones of power equipment like Fiscal 20230E where actual spend was only 10%. The outlay will support the domestic photovoltaic industry with the government focusing on localization

Factors affecting steel market value chain

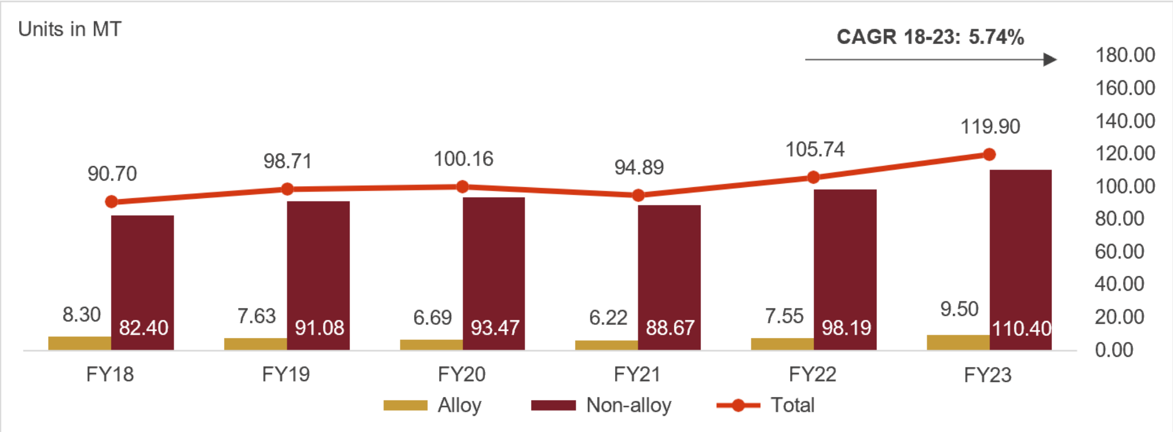
Macroeconomy	With the global economy facing a slowdown, the government and individual spendings are projected to go down, too, affecting the demand for steel Amid Russia-Ukraine conflict and major central banks raising interest rate to control inflation, the margins of the companies are getting affected and thus, they are reducing production to come on par with the sluggish demand
Global demand-supply scenario	Typically when global demand is high, steel availabilty in India for domestic consumption gets impacted. India is the 2nd largest steel producer in world, with around 5-6% exported globally. With China, the biggest steelmaking country, announcing cuts in production in 2021, opportunities for Indian players look bright The cost of imported raw materials in India, such as iron ore and coking coal, can be affected by fluctuations in global demand and supply
Raw material prices	Raw material contributes to around 70% of cost of production in steelmaking. Iron ore, coal, melting scrap, etc are the major raw materials used in steelmaking. Any variation in the prices of these raw materials significantly affect the margins of steelmaking companies thereby affecting their competitiveness
Raw material availability	India is self sufficient in iron ore, however has high import dependance on coal and scrap Various factors, such as regulatory issues, environmental concerns, international trade restrictions and logistical constraints, pose challenges to availability of raw materials Any disruption in the availability of raw materials can lead to higher production costs, lower profitability and reduced competitiveness
Decarbonisation	The global steel industry is pacing towards net zero emissions from its steel making process. With these strong targets to achieve, major countries are imposing restrictions on trade of steel which do not meet their decarbonization standards EU has imposed a Carbon Border Adjustment Mechanism (CBAM) to support its rising climate ambition which is expected to affect the steel imported into the nation The trade restrictions affect India's exports, significantly impacting the overall growth of the industry Domestic steelmakers are undertaking capital investments in upgrading their facility to produce green steel in order to meet the government's climate targets and remain competitive

3. Steel market value chain assessment

3.1. Demand review and outlook: Steel products

The industry showcased steady growth rates of CAGR 5.07% during Fiscal 2018-20 which was then hit by a 5.27% on-year decline in Fiscal 2021 due to Covid-19. The demand rebounded in Fiscal 2022 by 11.44% on-year on account of resumption in industrial activities, pent-up demand and growth in key end-use sectors. The growth picked up further in Fiscal 2023 by 13.38% majorly driven by high demand in infrastructure and construction sectors. In the alloy steel segment, demand increased at a CAGR of 2.72% during the period 2018-23 while demand for carbon steel segment increased at a CAGR of 6.02%.

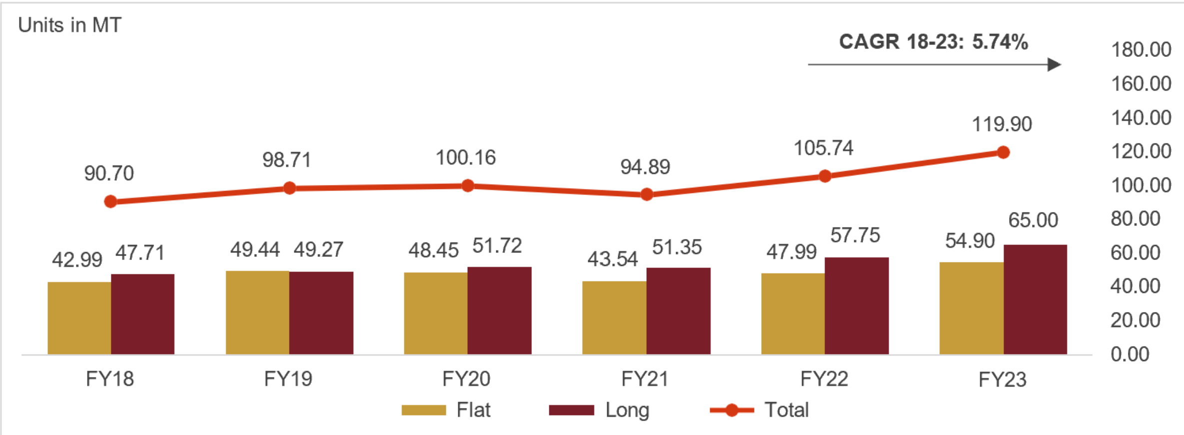
Finished steel demand review by steel type



Source: JPC, CRISIL MIA Consulting

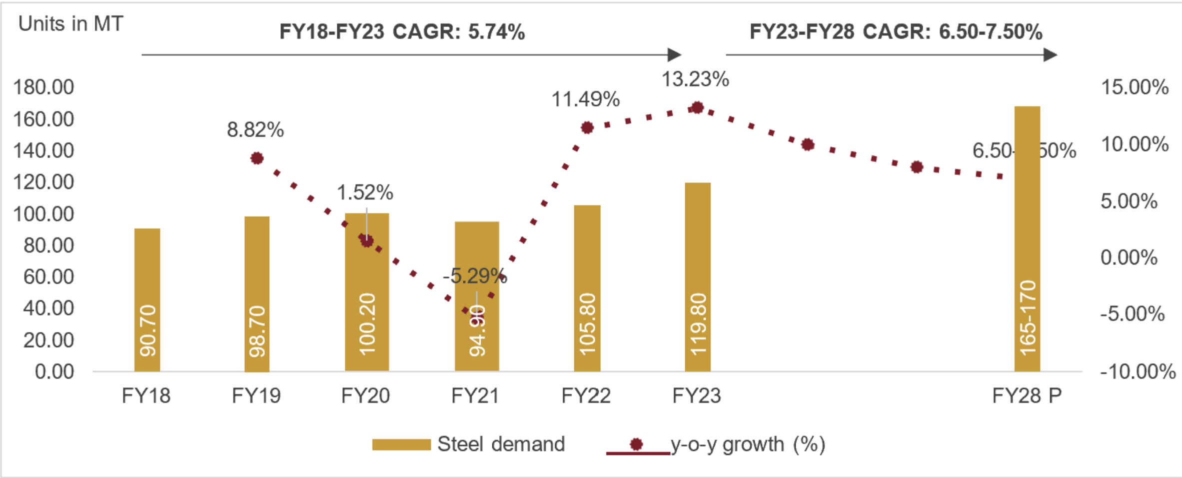
Demand for long steel increased at 6.38% CAGR between Fiscals 2018 and 2023, led by healthy growth in infra and modest growth in the housing segment. Demand for flat steel, on the other hand, rose at 5.00% CAGR during the same period. This led to share of long steel in overall finished steel demand to increase from ~53% in Fiscal 2018 to 54% in Fiscal 2023

Finished steel demand review by product type



Source: JPC, CRISIL MIA Consulting

Indian finished steel demand growth



P: Projected
Source: Joint Parliamentary Committee (JPC), CRISIL MI&A Consulting

In Fiscal 2024, demand is expected to sustain at 7-8% on-year with continued demand from the infrastructure and automobile sectors, and trend at 6.50-7.50% CAGR over Fiscals 2023 to 2028, owing to following drivers of growth in its key-end use sectors :

Building and construction

Steel demand from building and construction (B&C) accounts for ~30% of aggregate finished steel demand. For thenext five years, steel demand from this segment is expected to clock 5-6% CAGR driven by:

- The government's focus on execution of affordable housing
- Robust rural housing demand against the backdrop of the government's continued focus on rural development,and higher minimum support prices
- Urban housing demand is also expected to improve owing to increased commercialisation of Tier III and Tier IVcities, led by better infrastructure connectivity

Infrastructure

The infrastructure segment is currently the second-largest consumer of steel, with 28-30% of steel demand end-usemix. Within the infrastructure space, roads and highways along with railways (including metros) account for 50-60%of steel demand. Other significant contributors include sectors such as irrigation, dams, water supply and sanitation. Demand from this sector is expected to be healthy with increasing activities and swift pace of execution in steel-intensive segments such as railways, particularly metros.

Further, in the Fiscal 2023 budget, the government has laid special focus on infrastructure development, as indicated by the following announcements:

- Aggregate budgetary capex for the sector increased 17% to Rs 12.50 lakh crore
- Railway's capex budgeted at Rs 2.90 lakh crore, which is ~15% higher than Fiscal 2023RE, driven by gross budgetary support of Rs 2.40 lakh crore
- The Central government has extended the 50-year interest-free loan to states, with an outlay of Rs 1.30 lakh crore, to boost infrastructure
- As many as 100 critical transport infrastructure projects for last-mile and first-mile connectivity for ports, coal,steel, fertilizer, and food grains identified
    - Investment of Rs 75,000 crore allocated for these projects, out of which Rs 15,000 crore will come from the private sector

- This will improve last-mile and first-mile connectivity
- Coupled with Gati Shakti and National Logistics Policy, this initiative can provide a fillip to the Indian logisticssector and lower logistics cost

Automotive

Steel demand from the automobile sector accounts for 8-10% of aggregate finished steel demand. The industry faced headwinds in the form of chip shortage, but the low base of Fiscal 2021 charted an optical growth for supply. Growthrate is estimated to have been higher in Fiscal 2023, since the chip shortage situation improved to some extent andwith better consumer demand.

Government initiatives and programmes

- **Pradhan Mantri Awas Yojana – Urban (PMAY-U):** The PMAY-U mission, which was launched on June 25, 2015, was designed to provide 'housing for all' in urban areas by 2022. The mission assists the implementing agencies through states/union territories (UTs) and central nodal agencies (CNAs) in providing about 1.12 crorehouses to eligible families/beneficiaries after validating their demand. As per PMAY-U guidelines, a house for theeconomically weaker section (EWS) could have carpet area of up to 30 square metres, though states/UTs havethe flexibility to enhance the sizes after consulting the ministry and obtaining its approval.

  In Fiscal 2023, construction pace recovered with fast-paced and steady execution of ~1.62 million units during the Fiscal after seeing low of ~1.03 Mn units' construction in Fiscal 2022. While most of the targeted houses havebeen sanctioned (~12.04 million houses sanctioned as of March 2023), over ~7.30 million houses have alreadybeen completed (~61%). Another ~3.07 million are under various stages of construction.

- **Pradhan Mantri Awas Yojana – Gramin (PMAY-G):** To achieve the objective of the 'Housing for All by 2022' mission, the government launched a restructured rural housing scheme, namely the Pradhan Mantri Awas Yojana-Gramin (PMAY-G), in November 2016, with the target of constructing 29.50 million houses with basic amenities by 2022. As of February 2023, a total of ~25.60 million units have been sanctioned, of which, 21.70 million have been completed (~85% completion rate). As many as ~3.90 million units are under construction.

- **Smart Cities Mission:** The national Smart Cities Mission is an urban renewal and retrofitting program built by the government to develop smart cities across the country, making them citizen friendly and sustainable.The Union Ministry of Urban Development is responsible for implementing this mission by collaborating with thestate governments of the respective cities. The mission initially included 100 cities, with the deadline for completion of the projects set between 2019 and 2023. The effective combined completion of all projects as of 2019 was 11%. As of March 2022, 3,577 of the total 6,939 tendered projects have been completed, utilising Rs.60,073 crores of the total tendered amount of Rs. 1,91,294 crores. The Centre allocated Rs. 6,445 crores for theSmart Cities Mission for FY23. ~136 cities have various projects worth Rs. 1.90 lakh crore of which ~5% are in tendering stage, ~60% are in work in order stage and ~35% are completed as of July 2022.

- **Affordable housing schemes:** The government promotes home ownership by offering a variety of incentives. In order to assist low-income individuals in purchasing homes, the government has introduced various affordableor low-cost housing programmes. In the current economic scenario, these government schemes will help these individuals purchase well-constructed homes at lower rates. These programmes are controlled by the federal and state governments, and potential homeowners can make use of the government's housing schemes. Someof these schemes are PMAY-G, PMAY-U, Rajiv Awas Yojana, Delhi Development Authority scheme, Haryana Housing Board scheme, and Tamil Nadu Housing Board scheme.

- **Make in India:** The Prime Minister launched the Make in India initiative in September 2014 as part of a wider setof nation-building initiatives. The initiative was devised to transform India into a global design and manufacturinghub.

- **Gati Shakti:** Prime Minister launched PM Gati Shakti - National Master Plan for Multi-modal Connectivity, essentially a digital platform to bring 16 Ministries including railways and roadways, together for integrated planning and coordinated implementation of infrastructure connectivity projects. The multi-modal connectivity willprovide integrated and seamless movement of people, goods, and services from one mode of transport to another. It will also facilitate last-mile connectivity of infrastructure and reduce travel time.

- **National Logistics Policy (NLP):** To boost ease of doing business and enhance the liveability quotient, the Prime Minister launched the NLP on September 17, 2022, in Vigyan Bhawan, New Delhi. The policy aims to lower the cost of logistics from 13-14% to bring it on par with that of other developed countries. This will increasethe competitiveness of Indian products in the domestic as well as international markets. Moreover, the reduced cost will increase efficiency efforts across all sectors of the economy, encouraging value addition and enterpriseinitiatives.

- **National Infrastructure Pipeline (NIP):** The NIP for Fiscals 2019-2025 is an innovative exercise designed by the government to provide peerless infrastructure to citizens, helping improve their quality of life. The scheme aims to improve project preparation and attract investments into infrastructure. A high-level task force, chaired by the Secretary, Department of Economic Affairs, Ministry of Finance, devised the framework for NIP. Till date,out of the 9028 projects, spread across 49 sub-sectors, 2021 projects are under development with a total projectcost of USD 1,787.57 Bn.

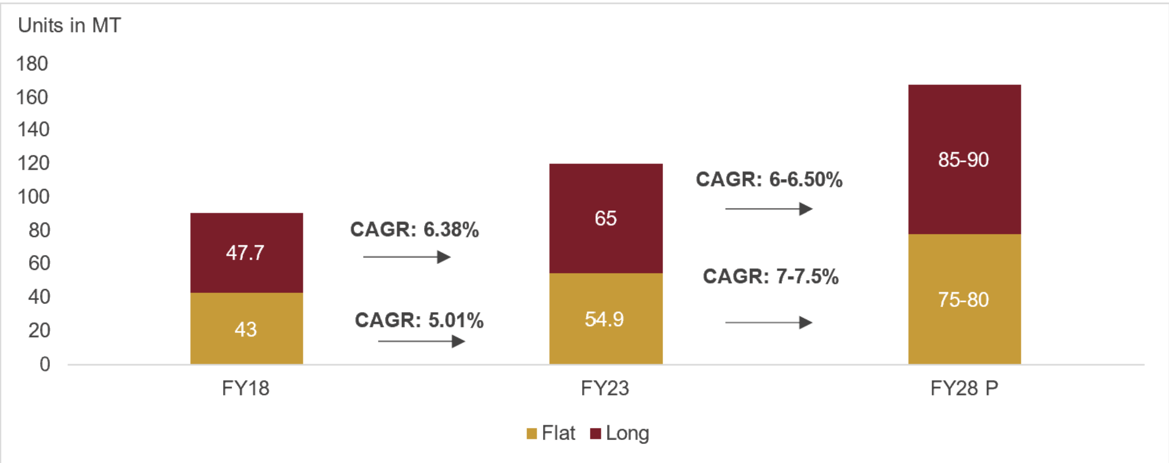
- **Pradhan Mantri Krishi Sinchayee Yojana (PMKSY):** PMKSY aims to converge investments in irrigation at thefield level, expand cultivable area under assured irrigation, improve on-farm water use efficiency to reduce waterwastage, and enhance the adoption of precision irrigation and other water saving technologies (per drop more crop, or PDMC). It also targets increased aquifer recharge and introducing sustainable water conservation practices by exploring reuse of treated municipal wastewater for peri-urban agriculture, attracting greater privateinvestment in precision irrigation systems Budget's impact on the sector

Product level demand growth

CRISIL expects demand for flat steel to rise at 7-7.50% CAGR over Fiscals 2023-28, on the back of the increased share of flat steel in construction and real estate, driven by increasing penetration of PEB and higher use of fabricated sections. The rising steel demand from the automotive industry in the long run will support demand growth in flat steel segment. The increased demand from steel pipes segment on the back of higher investments in water supply and sanitation and irrigation is one of the other drivers for flat steel.

Demand for long steel is expected to grow at 6-6.50% CAGR during the same period, led by infrastructure push andhousing executions in the near term as elections approach and healthy growth in infrastructure, especially roads, stations and railways.

Indian finished steel demand growth forecast: By product



Source: JPC, CRISIL MIA Consulting

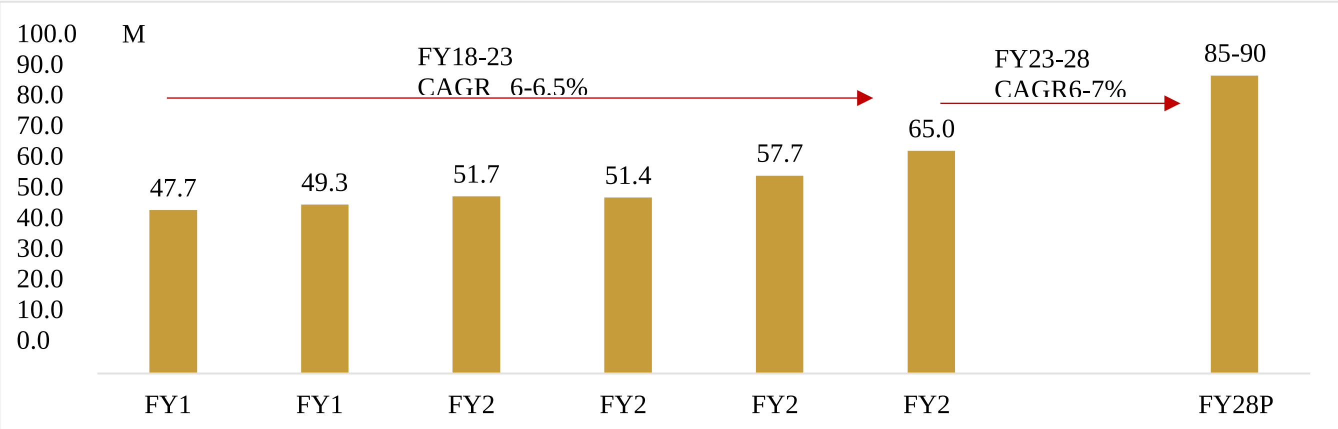
P: Projections

3.2. Demand review and outlook: Long steel products

Various types of long steel products:

Applications	Description
Bar & rods	Bars and rods are normally obtained by hot rolling/forging of billets/ blooms. These include rounds, flats (flat bars), squares, hexagons, octagons, which find direct use in a wide variety of products in engineering and agricultural, household, furniture sectors, etc with/without further processing.
CTD/TMT	CTD (cold-worked twisted and deformed)/ TMT (thermo mechanically treated) bar and rods are hot rolled round bars/rods with indentations (marks)/ribs normally supplied in straight length or in folded bundles. Used in civil construction.
Wire rod	Hot rolled plain bar/rods (i.e without indentation) in coil form normally used to produce steel wires and, and, at times, steel bars.
Angles, shapes and section	Hot rolled structural sections obtained by hot rolling of blooms/billets. These include angles, channels, girders, joist, I beams, H beams, etc used in civil/mechanical construction.
Rails	Hot rolled rail sections obtained upon hot rolling of blooms/billets. Used in railways/tramways on which trains/trams travel.
Wires	Wires are produced by cold drawing of wire rod through a die. These are normally supplied in coils.
Bright bars	There are cold drawn/ ground/ peeled plain bars produced from hot rolled plain bars/wire rods.

Long steel demand review and forecast



P: Projections
Source: Joint Plant Committee (JPC), CRISIL Research

Long steel demand to grow on back of construction and infrastructure sector growth

Building and construction

For the next five years, steel demand from this segment is expected to clock 5-6% CAGR driven by:
The government's focus on execution of affordable housing
Robust rural housing demand against the backdrop of the government's continued focus on rural development, and higher minimum support prices
Urban housing demand is also expected to improve owing to increased commercialization of Tier III and Tier IV cities, led by better infrastructure connectivity

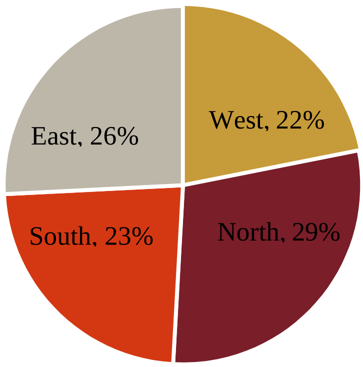
Infrastructure

Infrastructure demand has grown at a rapid pace over the last few years and is expected to outpace overall steel demand in the longer run driven by:

Roads and Railways are the two key focus areas of the government and are expected to see rapid growth in central government investments in the near term. Higher awarding in the current year is expected to bode well for Road sector in near. Further with privatisation of routes government is likely to witness lower losses and better cash flow from the segment enabling higher capex from the sector.

Urban infra will be driven by metro rail construction as well as water supply and sanitation segments. Addition of new metro lines is several tier II cities like Bhopal, Patna, Indore etc. will drive demand from the segment.

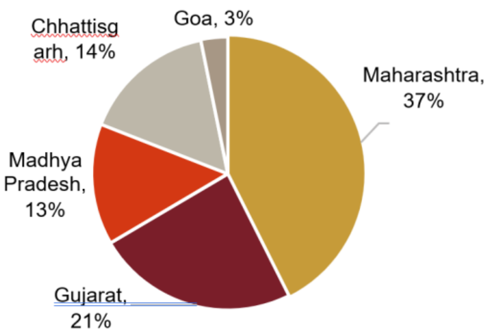
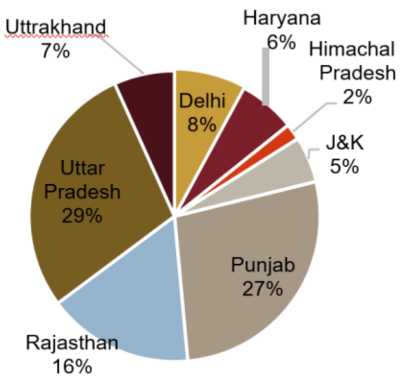
Region-wise break-up of long steel demand

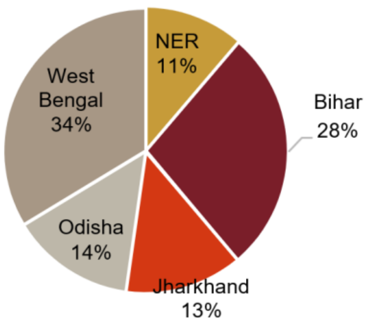
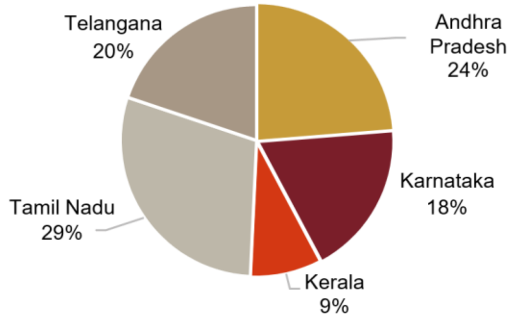


Note: Data as of FY23
Source: CRISIL Research

West and North region together account for more than half the pan-India demand for long products (Bars and Rods, structural, railway materials).

In the West, demand is concentrated in Maharashtra and Gujarat. They together account for more than three-fourth of region's demand. Uttar Pradesh, Punjab and Rajasthan are the largest consumers in Northern region, with a market share of 73% of region's demand.

State-wise break-up of long-steel demand (West)	**State-wise break-up of long steel demand (North)**
	
Note: Data for FY23 *Source: JPC, CRISIL MI&A*	*Note: Data for FY23* *Source: JPC, CRISIL MI&A*

State-wise break-up of long-steel demand (East)	State-wise break-up of long steel demand (South)
	
Note: Data for FY23 *Source: JPC, CRISIL MI&A*	*Note: Data for FY23* *Source: JPC, CRISIL MI&A*

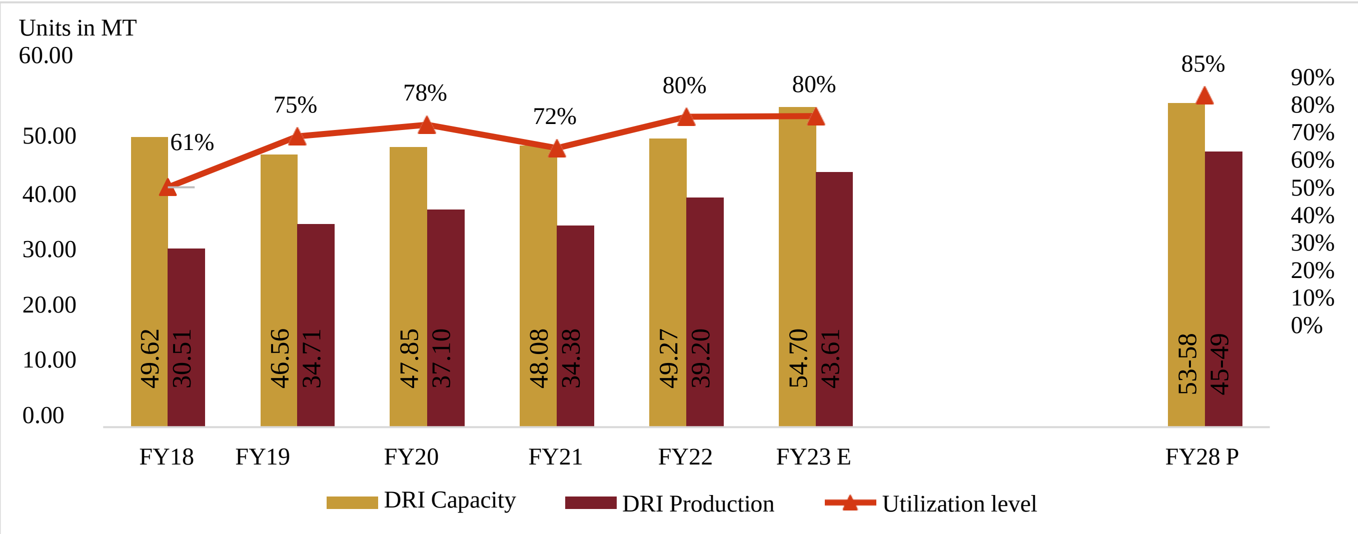
3.3. Demand review and outlook: Sponge iron

Sponge iron, also termed direct-reduced iron (DRI), is produced by reducing (removing oxygen) iron ore to increase free iron content. This also makes the ore porous. Sponge iron is popularly used as a feed in electric/induction furnaces and as a substitute for steel scrap because high-quality scrap is costly and scarcely available.

India is the largest sponge iron producer globally, with an annual production of 43.56 MT in Fiscal 2023 (up at a CAGR of 7.38% over Fiscals 2018-23). Of the total production in Fiscal 2023, coal-based accounted for nearly 82% and gas-based ~18%. Out of the produced DRI in the country, nearly 98% is consumed domestically and a miniscule portion is traded.

DRI produced which is majorly consumed by EAF/IF units. With increasing focus on decarbonization, focus on EAF and DRI as a raw material is expected to increase. Sponge iron output is expected to moderate at a CAGR of 1.50- 2.50% during the Fiscal period 2023-28.

Sponge iron capacity and production review



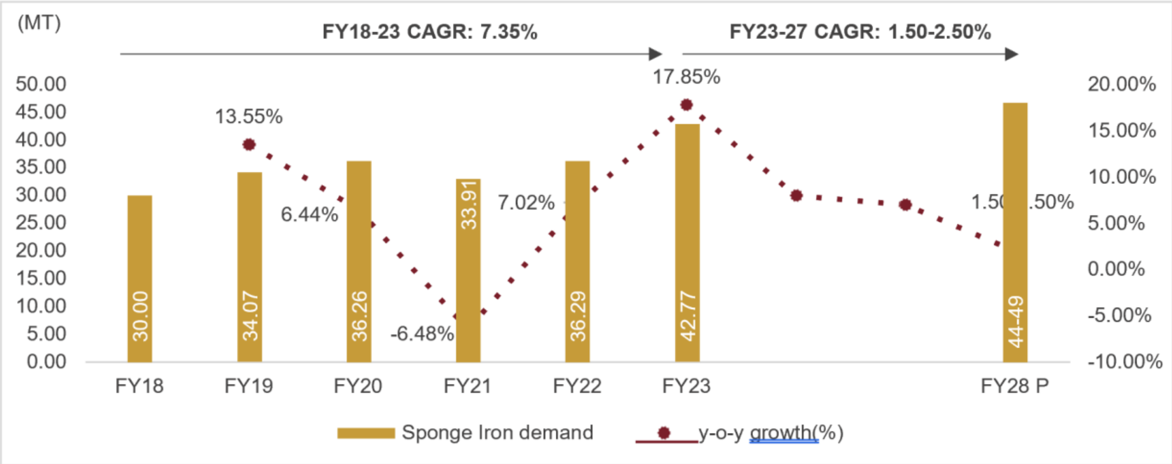
Source: JPC, CRISIL MIA Consulting
E: Estimated, P: Projected

Sponge iron demand witnessed a healthy 7.35% CAGR over the Fiscal period 2018-23

The demand for sponge iron witnessed an uptrend over Fiscals 2018 to 2020, as prices were declining till Fiscal 2020. Prices fell ~18% in Fiscal 2020 on-year, in contrast with 6% decline in pig iron prices that year.

As scrap prices increased at 8% CAGR during Fiscals 2019-23, IF/EAF players opted for increased blending of sponge iron to lower their cost of production, thus increasing demand.

Sponge iron demand review and outlook



Source: JPC, CRISIL MIA Consulting
P: Projected

However, the following factors would continue to impact sponge iron production, and thereby influence demand:

1. Rising competition from large players

The share of large players in crude steel manufacturing (using BF/BOF) has remained at 44-46% over Fiscals 2018 to 2022. Long steel manufactured using BF/BoF route is of better tensile strength (low sulphur and phosphorous content). In the coming years, large players like Steel Authority of India Limited (SAIL), Jindal Steel and Power Limited (JSPL), and Rashtriya Ispat Nigam Limited (RINL) have planned capacity expansion in long steel. Thereby, intensifying competition in the long steel segment could adversely affect small players manufacturing steel through the sponge iron route

2. Price differential with substitutes (scrap)

Scrap is a direct substitute to sponge iron in steel making and has a higher conversion yield. Scrap prices are expected to soften in the medium term led by better scrap availability, as the industry gets more organized. This would potentially impact sponge iron blending and continue to be a key monitorable. Regulatory changes in China with respect to production cuts and scrap import policy also remain monitorable for any upside in our forecast.

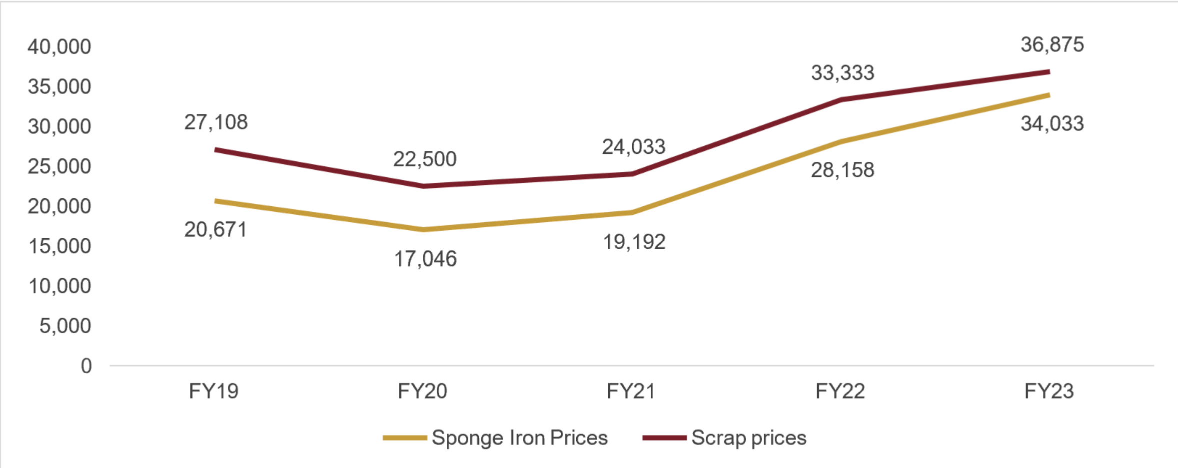
3. Weak financial position of players

Several players in the long steel segment that are integrated and manufacture steel using sponge iron are in severe financial stress, despite increase in realizations. Further, with a rise in raw material prices, margins of industry players are likely to come under pressure.

4. Decarbonization

India majorly has coal based DRI manufacturing which emits high level of CO2. With the Indian steel industry becoming more aware of their CO2 emissions and taking strict measures to meet their decarbonization targets, the DRI manufacturers would require shifting to alternate source of energy which can be syn gas from their current source as coal. The ability to adapt to the changing industry needs will play a strong role in maintaining the significance of using DRI as one of the raw materials in steel-making, thereby influencing the demand

Sponge iron and scrap prices review (Rs/tonne)



Source: CRISIL MIA Consulting
Note: Scrap prices are excluding GST

Conventionally, sponge iron prices move in tandem with scrap prices, after correcting for quality differences (the metallic yield in scrap is >90% as compared to ~85% in sponge iron).

In Fiscal 2022, sponge iron prices rallied due to an increased prices of iron ore and pellets, and shortage of thermal coal and gas, resulting in lower utilisation at plants. Price of sponge iron spiked ~25% on-quarter in the fourth quarter, as the Russia-Ukraine crisis worsened the situation. Overall, prices rose 46% on-year in Fiscal 2022.

Sponge iron prices experienced a mixed trend in Fiscal 2023, rising 21% on year due to high thermal coal and gas prices despite a low iron-ore costs during the Fiscal. This is because non-integrated players procured iron-ore inventory at elevated costs.

Iron ore prices had declined significantly starting May 2022 due to the Indian government's announcement to impose export duty of 50% on iron ore and 45% on pellets, which are the main raw materials to make sponge iron. While sponge iron prices saw a correction early over March to June 2022, prices reversed trajectory in July 2022 as thermal coal prices shot up.

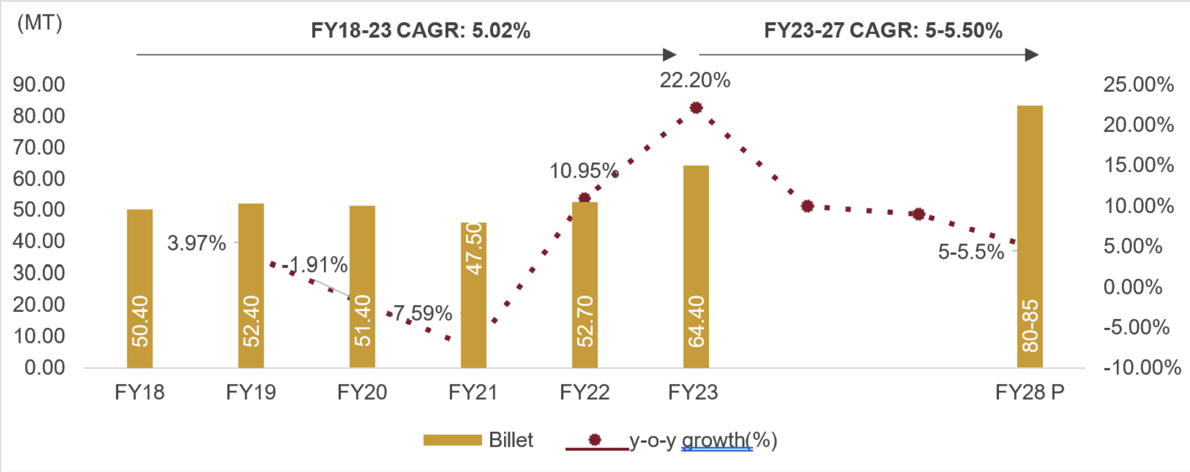
However, cooling global demand and easing thermal coal and scrap prices has led to a sharp correction since September 2022 and the trend continued till December 2022.Sponge iron prices began to gradually rise in January 2023 due to a supply shortage caused by Odisha, a major region manufacturing DRI, where plants were shut for maintenance. Iron ore and pellets, which are crucial raw materials for DRI, have seen an increase since December 2022 because of the rollback of export duty in November 2022.

According to CRISIL, the average price of sponge iron is predicted to reach Rs 33,500–34,500 per tonne this Fiscal, a rise of 20-21% on-year. Long steel output, which is the main driver of sponge iron demand, is predicted to remain robust in the current Fiscal, aiding price rise.

3.4. Demand review and outlook: Billets

Billets consumption has largely moved in conjunction with long steel production at ~5% CAGR during Fiscal period 2018-23. The growth in production of long steel slowed in Fiscal 2021 amid the pandemic, as construction and infrastructure activities were halted due to multiple lockdowns, leading to sluggish demand.

Billet demand review and outlook



Source: JPC, CRISIL MIA Consulting
P: Projected

We expect India's billet consumption to rise at 5-5.50% CAGR between Fiscals 2023 and 2028, led by:

1. Strong growth in the building and construction sector

For the next five years, steel demand from the building and construction segment is expected to log ~6% CAGR driven by public investments in affordable housing, rural development, and commercialisation of Tier III and IV cities.

2. Infrastructure

Infrastructure demand has grown at a rapid pace over the past few years, as the economy recovered from the pandemic, and is expected to log 8-9% CAGR between Fiscals 2022 and 2028. Steady execution of national highway and high value expressway projects in roads; Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) and the low penetration of irrigation in the country, rail investments in dedicated freight corridors, network decongestion and bullet train projects, and the National Infrastructure Pipeline spend of Rs 111 lakh crore by Fiscal 2025, are some of the key drivers in the infrastructure sector.

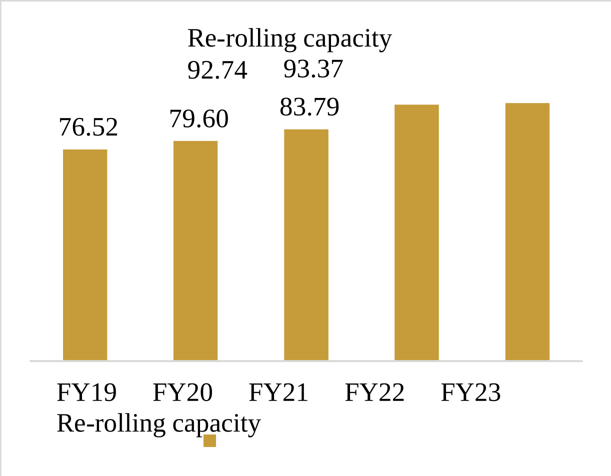
3. Auto

The automobile sector is expected to log 7-8% CAGR between Fiscals 2022 and 2028, with rising population, increased disposable incomes, and ease of availability of credit and financing. The market is expected to see higher demand for commercial vehicles from the flourishing logistics and passenger transport sectors.

3.5. Demand review and outlook: TMT bars

India houses 1,053 re-rolling units in Fiscal 2022 which produces a total of 63.8 MT of finished steel products. During the Fiscal period 2019-22, India has seen an increase of 16 MT capacity addition with a total of 16 new re-rolling units becoming operational. India has witnessed high infrastructure growth in the past few years with increased investments from Central and State Government. This drives the demand for long steel products thus attracting investments from primary and secondary players in the re-rolling segment. With these new capacities becoming operational, the re-rolling production has registered an increase of CAGR 5.40% during the Fiscal period 2019-22.

Re-rolling capacity review (in MT) and spread across India in Fiscal 2023

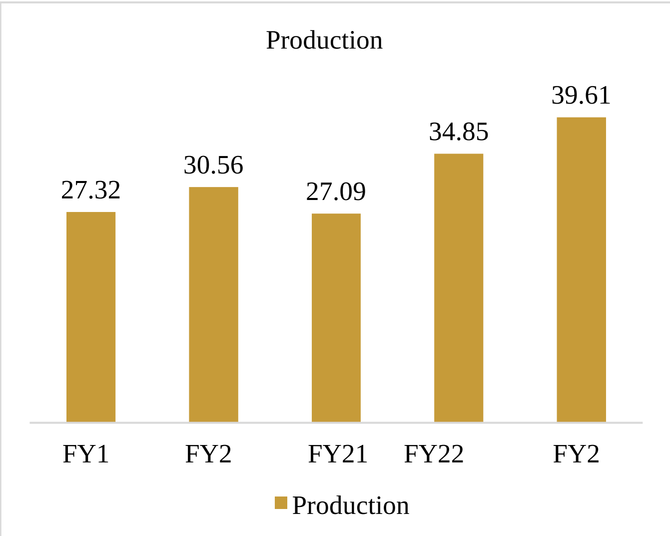


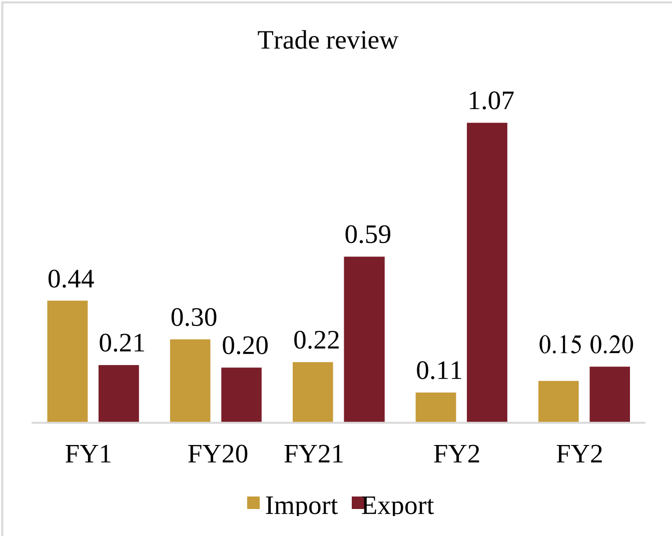
Region	No. of Units	Total capacity
East	249	36.10
West	226	17.69
North	390	18.59
South	211	21.00
Total	1076	93.37

Source: JPC, CRISIL MIA Consulting

Out of the total re-rolling production done in India, TMT constitutes nearly 50-55% of it.

Production and trade review of TMT bars (in MT)

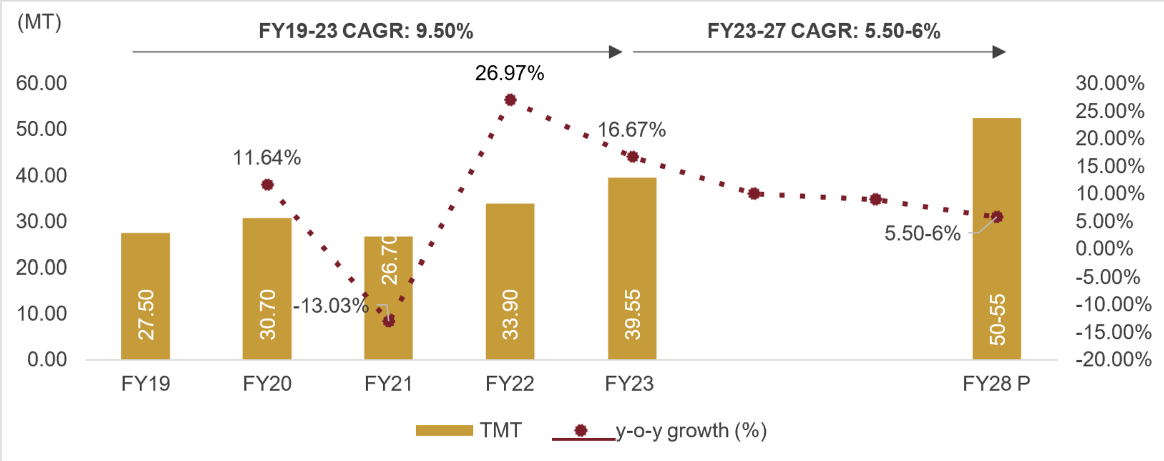




Source: JPC, CRISIL MIA Consulting

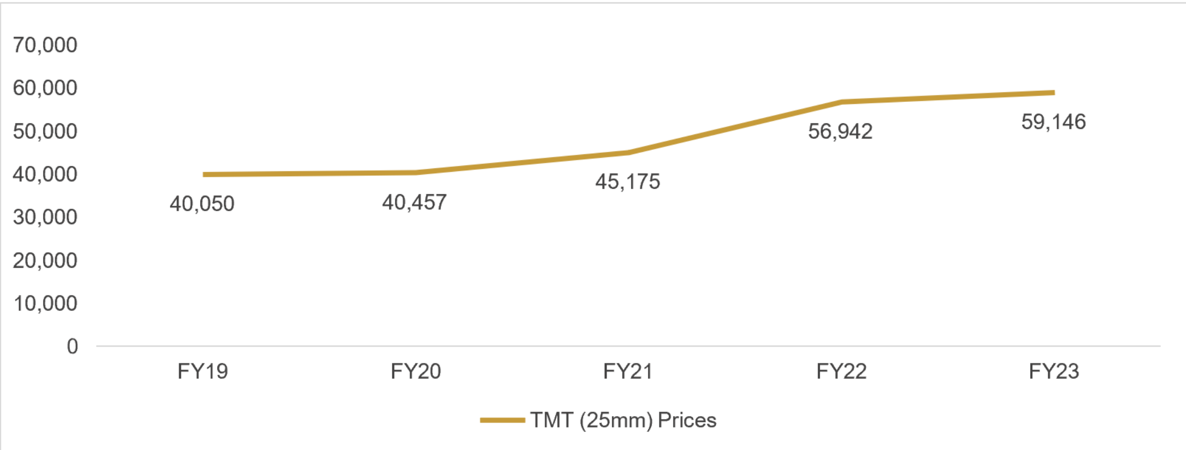
The demand for TMT reinforcement bars registered 9.5% CAGR between Fiscals 2019 and 2023, growing to 39.60 MT, owing to an uptick in housing and infrastructure development activities across the country. Demand is expected to log 5.50-6% CAGR between Fiscals 2023 and 2028, growing to 50-55 MT, on back of increasing private house construction due to improved disposable incomes after the pandemic, and increasing budget allocation of central and state governments for infrastructure development.

TMT Demand review and outlook



Source: JPC, CRISIL MIA Consulting
P: Projected

Price trend of TMT bars (Rs/tonne)



Source: CRISIL MIA Consulting

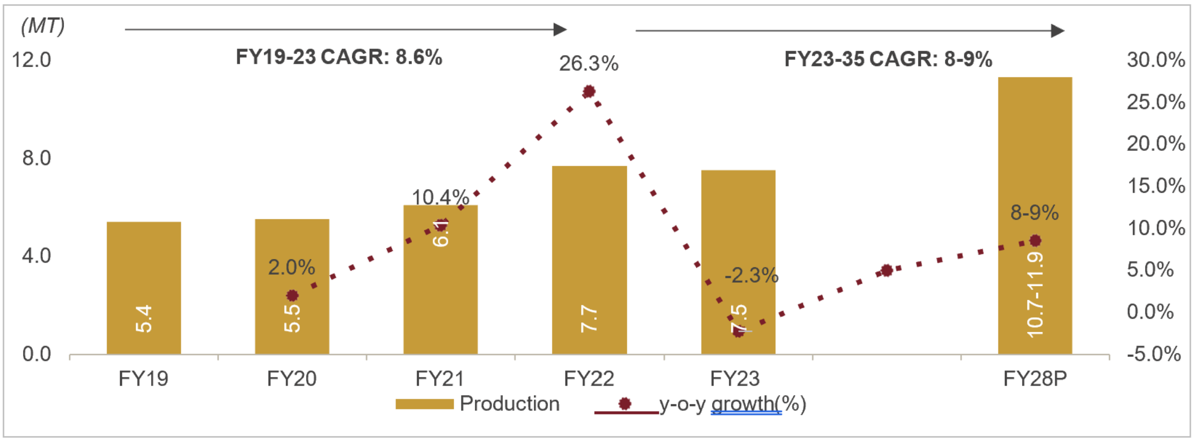
3.6. Demand review and outlook: Wire rods

3.6.1. Wire rods production review and outlook

India produced 7.5 MT of wire rods in fiscal 2023, registering an 8.6% CAGR during fiscals 2019-2023. The wire rods market is an unorganised one, with national players such as JSW Steel, TATA, RINL, SAIL, and JSPL holding nearly half of the market share, while the other half is held by regional and local players.

The wire rods produced form nearly 10-12% of the total re-rolling production done in India during fiscals 2019-2023. With capacity additions planned by both ISPs and other players, wire-rod production is expected to log a 8-9% CAGR during fiscals 2023-2028, reaching ~11.5 MT by fiscal 2028.

Wire rod production review and outlook



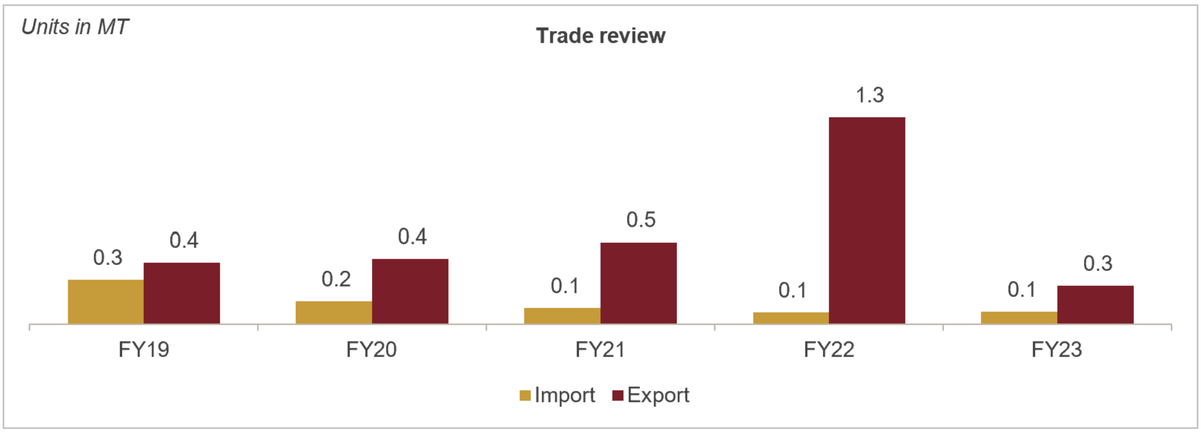
P: Projected
Source: JPC, CRISIL MIA Consulting

The production of wire rods done by ISPs have increased from 2.6 MT in fiscal 2019 to 3.8 MT in fiscal 2023, clocking a 9.7% CAGR, while also increasing its share from 49% in fiscal 2019 to 51% in fiscal 2023. ISPs have planned capacity expansion in the coming years, for their long steel portfolio. JSPL has a planned total expansion of 2.4 MT of wire rod mill in its plants located at Raigarh and Angul. Tata Steel has a 2 MTPA planned expansion at its Kalinganagar plant, which would be a combined expansion for bars, wire rods and structurals.

3.6.2. Trade analysis

In fiscal 2022, India exported the highest quantity of wire rods (1.3 MT) to countries such as Singapore, Nepal, Taiwan, Thailand and USA. The exports declined 81% in fiscal 2023 to 0.3 MT, with decline in total steel exports from India. The overall TMT imports declined at a CAGR of ~27% from 0.3 MT in fiscal 2019 to 0.1 MT in fiscal 2023. Imports are mainly done by countries such as Korea, Japan, China, Singapore and Thailand.

Trade review of wire rods



Source: JPC, CRISIL MIA Consulting

3.6.3. Wire rods demand review and outlook

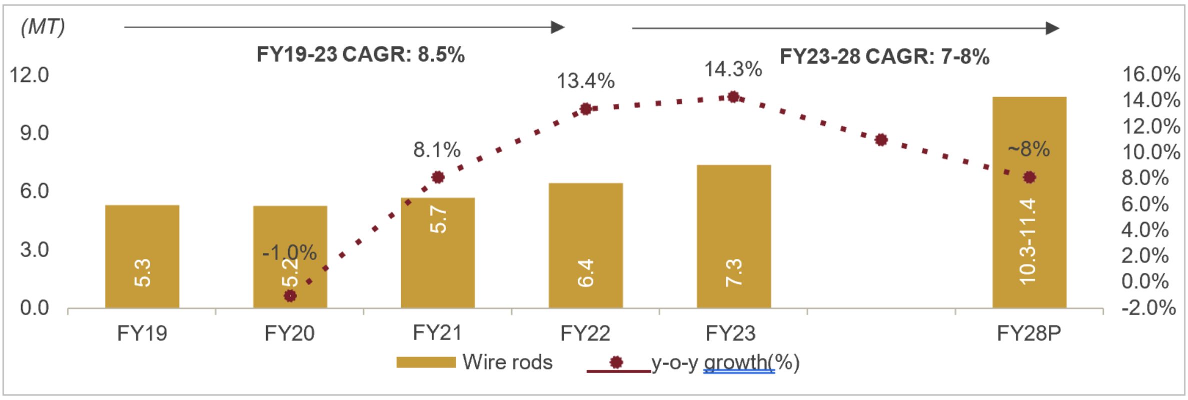
The demand for wire rods registered 8.5% CAGR between fiscals 2019 and 2023, growing to 7.3 MT, driven by an uptick in infrastructure development activities across the country and growing production in the automobile industry.

Demand is expected to log 7-8% CAGR between fiscals 2023 and 2028, growing to ~11 MT, due to increasing budget allocation of central and state governments for infrastructure development and expansion of the automobile industry.

Infrastructure holds the highest demand for wires and wire rods, while application in the building and construction industry is currently limited to fencing requirements. The increasing awareness of precast concrete structures will increase the share of B&C and infrastructure segment in the future. in future, it is predicted that the automotive segment will expand significantly. This is because of its flexibility, low weight, heat resistance and abrasion resistance.

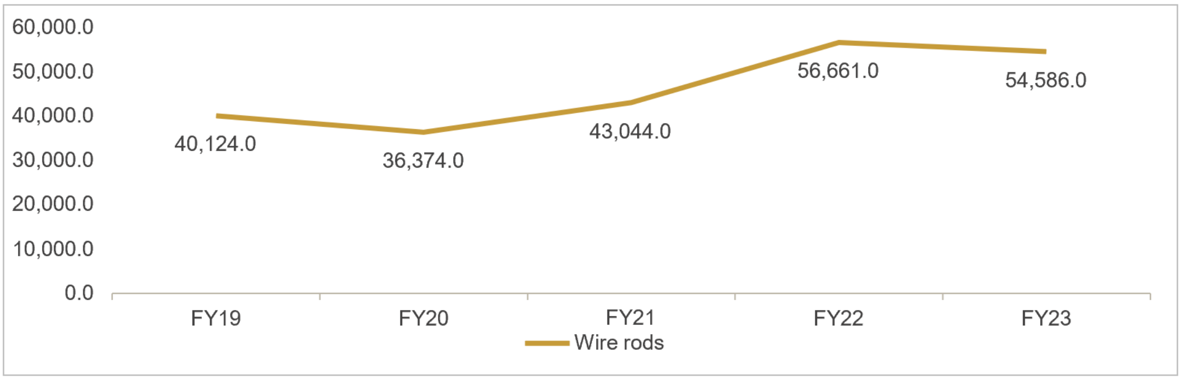
The wire rods are either consumed in its original form or are converted into wires after further processing is done by wire-drawing units. The wire-manufacturing industry holds presence of organised, unorganised and captive wire- drawing units. The total wire-drawing capacity in India increased from 1.7 MT in fiscal 2019 to 2.5 MT in fiscal 2022, with an addition of 24 working units. The units operated at an average utilisation of 70% during fiscals 2019-2022.

Wire rod demand review and outlook



P: Projected
Source: JPC, CRISIL MIA Consulting

Price trend of Wire rods (Rs/tonne)



Note: Prices presented above are average prices in India for 5.5 mm wire rods. The prices are ex-factory (excluding GST)Source: CRISIL MIA Consulting

3.7. Demand review and outlook: Pellets

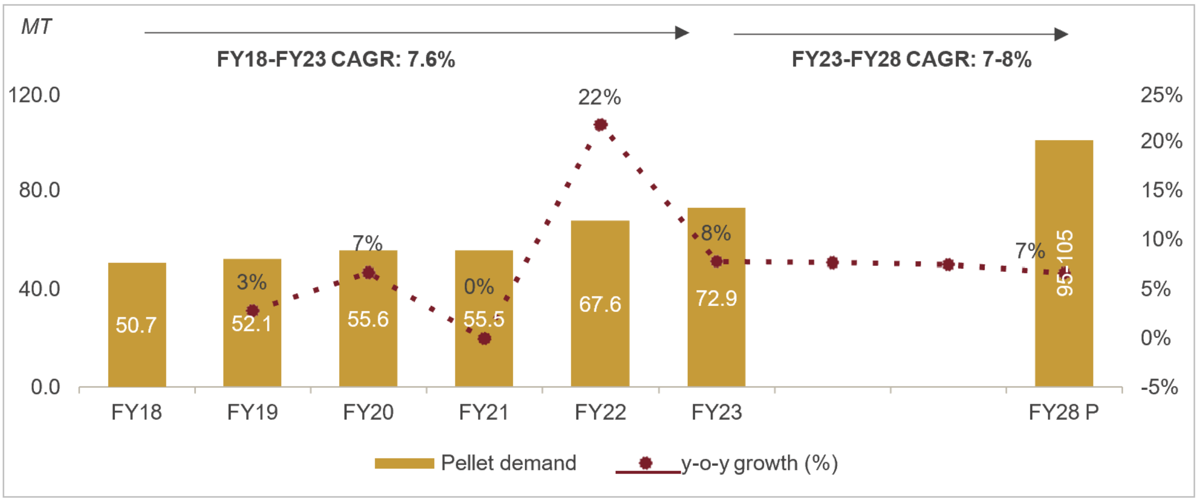
Pellets are normally produced in the form of Globules from very fine iron ore (normally -100 mesh) and mostly used for production of sponge iron in gas based plants, though they are also used in blast furnaces in some countries in place of sized iron ore.

3.7.1. Pellet industry grew at 7.5-8% CAGR from fiscals 2018-23

Demand for pellets has grown significantly in India by 22.3 MT at a CAGR of 7.6% to 72.9 MT in fiscal 2023 from 50.7 MT in fiscal 2018. Domestic demand for pellets decreased marginally during the second wave of the pandemic in fiscal 2021. Crude steel production dropped 5% on-year in fiscal 2021 to 104 MT, resulting in lower pellet demand. However, demand for pellets grew at 24.8% on-year in fiscal 2022 to ~67.8 MT. This was owing to a 16% increase in crude steel production to 120 MT in fiscal 2022.

To meet the decarbonisation targets of India, steel plants are expected to increase the usage of pellets in their production to improve productivity and reduce pollution, which would lead to a rise in demand for pellets in the coming years. Pellet demand is expected to clock a CAGR of 7-8% between fiscals 2023 to 2028, with increase in BOF and EAF/Induction Furnace (IF) capacities in India. In the long term, demand for finished steel will increase and India will become a net exporter of steel, resulting in higher domestic demand for pellets.

Pellet demand growth in India



Source: Industry, CRISIL MI&A Research

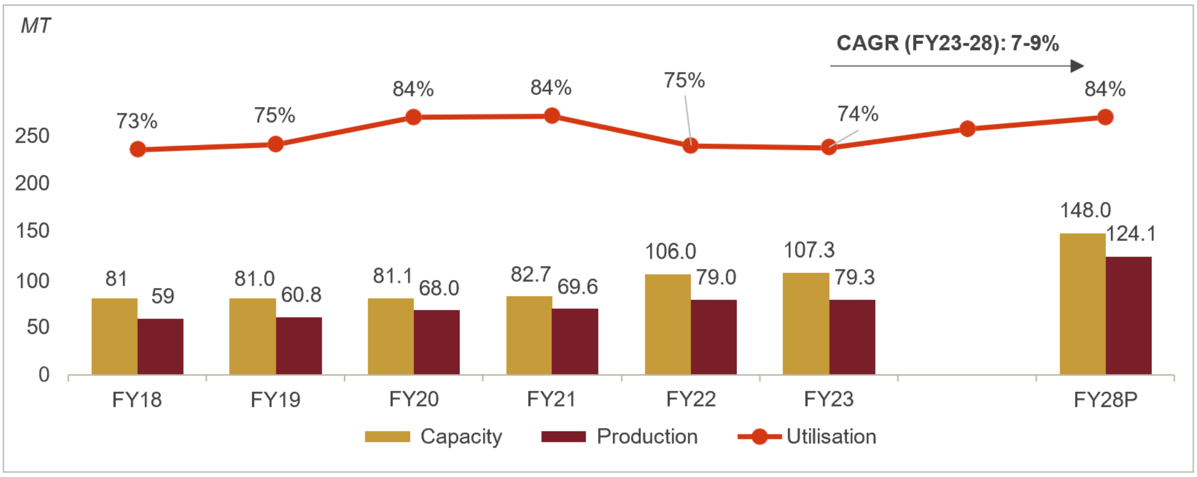
With demand for pellets expected to grow 9-9.5% on-year in fiscal 2023, production is expected to increase ~3 MT in the fiscal. This is due to the expected increase in the production of crude steel, aligned with the government's vision to ensure India has 300 MT crude steel-producing capacity by 2030.

3.7.2. Pellet supply market review

Pellet production grew at ~6.5% CAGR from fiscals 2018-23

India's pellet capacity has grown at a CAGR of 7.2%, while production has logged a CAGR of 5.9% between fiscals 2018 and 2023. Large players such as AMNS and JSW Group have increased their capacity by 6 MT and 12 MT, respectively, in fiscal 2022 to meet the in-house demand from steel plants. While the industry maintained an average capacity utilisation rate of 77% over the past six years, the utilisation rate dropped in fiscals 2022 and 2023 to 75% and 69%, respectively, on the back of significant capacity additions by major players.

Pellet supply and growth rate in India



Source: Industry, CRISIL MI&A Research

As mentioned earlier, India has imposed heavy export duty on pellets. However, the pellet production in fiscal 2023 is expected to rise on the back of higher domestic demand and new capacities coming onstream. Large players like AMNS, JSW Group has increased their capacity by 6MT & 12MT in fiscal 2022 to meet the in-house demand from steel plants. Pellet industry production is expected reach 81 MT in fiscal 2023, growing 3-3.5% on-year. Total capacity is expected to reach ~114.7 MT in fiscal 2023 with capacity utilisation at 71%.

4. Supply review and outlook

The top six players – Steel Authority of India (SAIL), Tata Steel (TSL), JSW Steel, Rashtriya Ispat Nigam, Jindal Steel and Power and Tata Steel BSL – constitute about half of India's crude steel capacity, with small-to-medium scale producers comprising the remaining share.

On the technology front, basic oxygen furnace (BOF) accounted for 48% share in terms of installed capacity in fiscal 2023 and 46% share in terms of production.

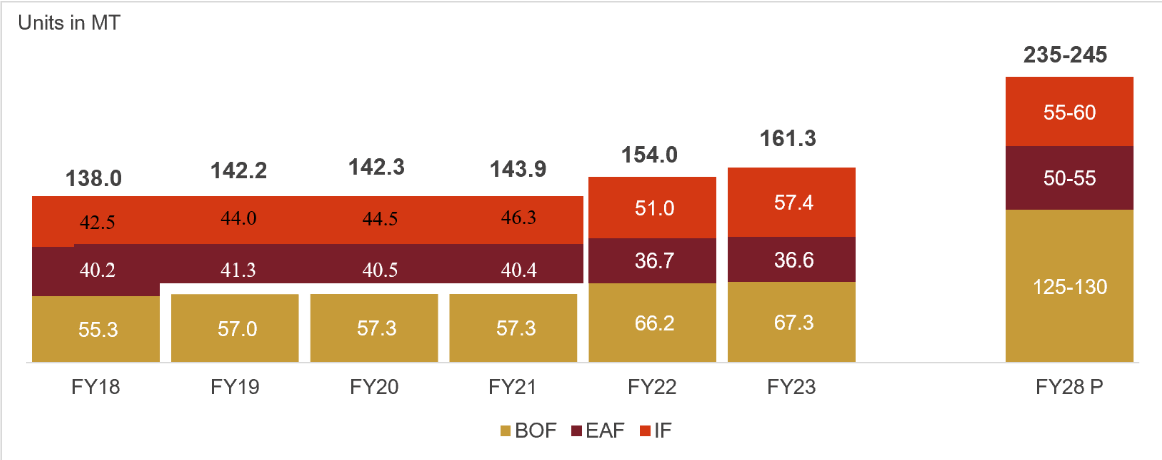
- **Blast furnace is a process of converting iron oxide into liquid iron. The other primary input for this process is carbon (in the form of coke), which also account for a major portion of the cost of the hot metal production**

- **BOF is the most common process for the producing steel. The BOF (Linz-Donawitz convertor) is a pear- shaped vessel lined with refractory bricks on the inside. The vessel lining consists of tar bonded dolomite/magnesia carbon bricks or other refractories. It can be rotated 360° on its axis. Oxygen is blown intothe vessel with the help of a water-cooled lance**

- **Electric arc furnace (EAF) is a furnace in which heat is generated with the aid of an electric arc produced by graphite electrodes. The main components of the furnace are furnace shell with a tapping device and a work opening, removable roof with electrodes, and a tilting device. The furnace shell is circular with a refractory lining. The work opening and the tapping device are arranged opposite each other for tapping purposes; the complete furnace is tilted to an angle of about 420° and the furnace is charged with its roof removed. When scrap is added, a charging bucket travels over the furnace, the bottom opens, and the scrap is charged into the furnace within a few minutes**

As per National Steel Policy, BF/BOF will be the key route for steel production by 2030.

India crude steel supply by technology



P: Projected
Source: JPC, CRISIL MI&A Consulting

In fact, the share of BOF capacity is expected to increase to ~53% by fiscal 2028. However, over the longer term, there is expected to be a shift towards EAF/IF, owing to growing environmental concerns, increase in availability of scrap, higher production of sponge iron, and government's focus on domestic production of value-added steel.

Crude steel capacity trend of leading players (million tonne)

Player name	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY28
Tata Steel Group	12.5	13	18.6	18.6	19.6	19.6	20.6	29.6
Tata Steel	12.5	13	13	13	14	14	14	19
BSL	-	-	5.6	5.6	5.6	5.6	5.6	5.6
NINL	-	-	-	-	-	-	1	5
JSW Group	18	18	18	18	18	27.8	28.8	37.8
JSW Steel	18	18	18	18	18	23	24	31.5
BPSL	-	-	-	-	-	3	3	4.5
JISPL	-	-	-	-	-	1.8	1.8	1.8
SMEL	0.42	0.57	0.63	0.80	0.89	0.94	2.01	3.16
SAIL	17.5	17.5	19.4	19.4	19.4	21.4	21.4	39.7
JSPL	5.1	8.6	8.6	8.6	8.6	9.6	9.6	15.9
AMNS	9.6	9.6	9.6	9.6	9.6	9.6	9.6	22.6
RINL	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
Vedanta (ESL Steel)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	7.5
NMDC Steel	-	-	-	-	-	3	3	3
Others*	55.4	60.9	57.6	57.5	66.0	52.6*	56.5	64-72**
Total	128.3	138	142.2	142.3	151.9	154.3	161.3	235-245

BSL: Tata Steel BSL; NINL: Neelachal Ispat Nigam; BPSL: Bhushan Power & Steel; JISPL: JSW Ispat Special Products; AMNS: ArcelorMittal Nippon Steel India; RINL: Rashtriya Ispat Nigam;
** Prior to acquisition of BSL, NINL, BPSL and JISPL, the installed capacities comprised 'Others'*
*** Capacity expansion plans for some players in Others category is as follows:*

Shyam Steel plans to expand its capacity to 1.35 million tonne (MT) by 2026
Arjas Steel announced in 2019 plans to expand its capacity to 1 MT in the coming years

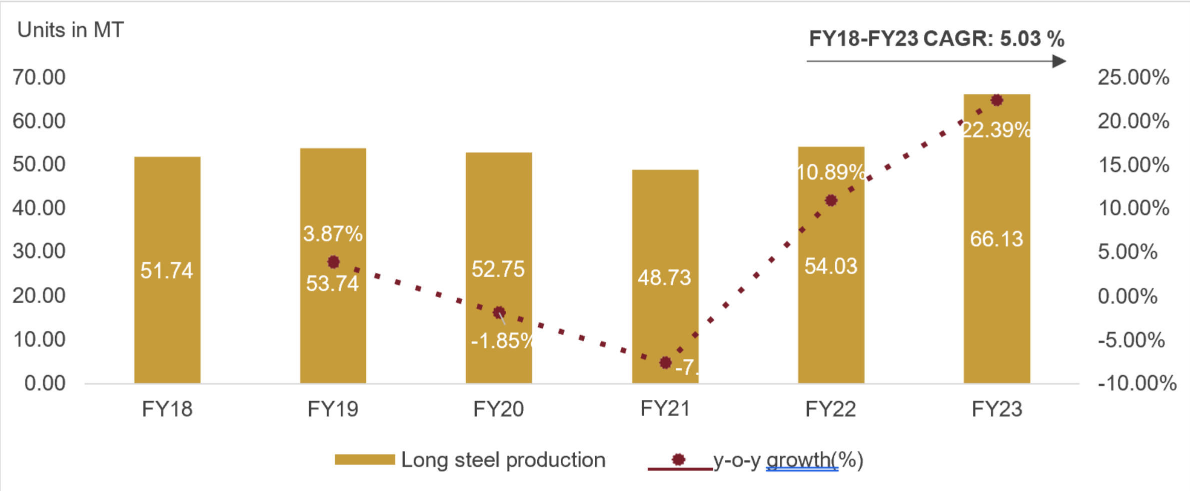
4.1.1. Competition in flat steel market:

India's flat steel market is fairly organized with top 5 players constituting more than 95% of the flat steel capacity and the rest being distributed between smaller players and re-rollers.

4.1.2. Competition in long steel market:

Unlike flat steel, long steel market is fairly fragmented with top 5 large players constituting around 33% of the market and rest being distributed amongst more than 921 IF and EAF units. Further India also houses 1076 rolling units as of FY23 who are primarily dependent on billet providers. Of these only 128 re-rolling units with nearly 21.7 mnT capacity (~23% of overall re-rolling capacity) are situated in East with North and West housing over 737 re-rolling units (around 41 mnT of re-rolling capacity). This is primarily on back of more integrated long steel players being present in East.

India's long steel production trend



Source: JPC, CRISIL MI&A Consulting

India's flat steel market is fairly organized with top 5 players such as Tata Steel Limited, JSW Steel, SAIL, ArcelorMittal and Nippon Steel (AM/NS), and JSPL producing 85% of the total flat steel produced in the country while the rest being distributed between smaller players and re-rollers.

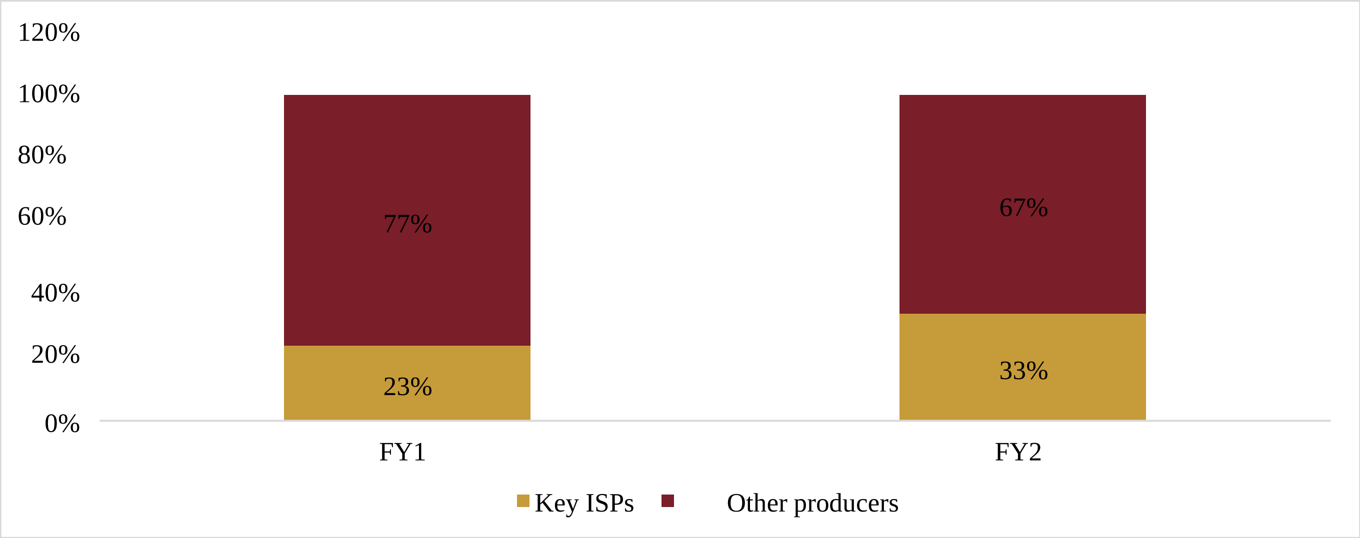
Unlike flat steel, long steel market is fairly fragmented with top 5 players producing around ~33% of the total long steel produced while the rest are being distributed amongst more than 847 IF units and 1,053 re-rolling units present in India till Fiscal 2022. The share of key ISPs producing long steel increased from 23% in Fiscal 2018 to 33% in Fiscal 2023 on back of following reasons:

- With rise in infrastructure demand, and increased spendings made by Government in the past few years, long steel demand has registered a strong growth of CAGR 6.4% during Fiscals 2018-23. The rising demand has attracted investments from key ISPs towards expanding their footprint in long steel-making thus leading to increased share

- Over the past few years, steel industry has witnessed market consolidation in both long steel and flat steel segment due to the secondary players facing operational and liquidity issues

- With changing construction practices of using high strength products, ISPs have managed to capture the trend and service the needs of consumers with their higher quality products, thus leading to increased share

Industry structure in long steel production



Note: Key ISPs include Tata Steel, SAIL, JSW, JSPL and RINL. Rest all are secondary players Source: JPC, CRISIL MI&A Consulting

Other leading players include: MSP Steel, Vedanta Electrosteel, Prakash Industries, etc. In the Eastern region leading TMT brands include players like:

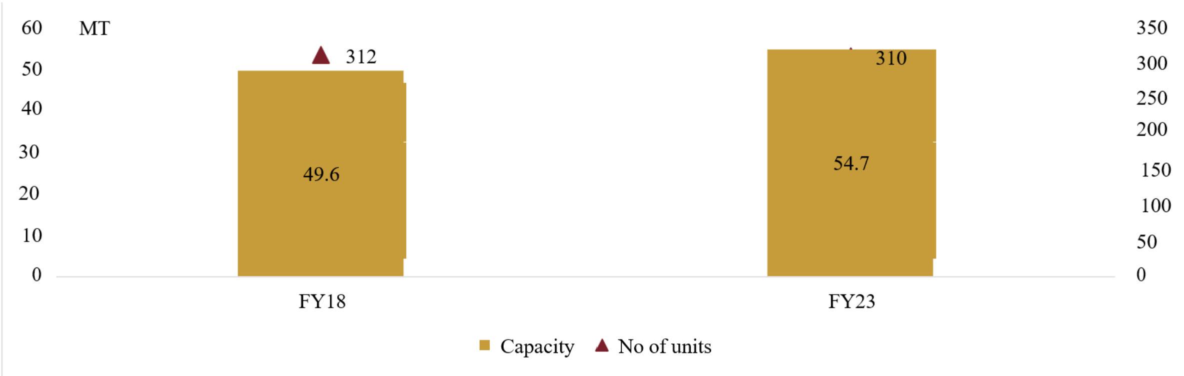
- Jindal Steel & Power Ltd
- SAIL
- Tata Tiscon
- Shyam Metalics
- SRMB
- Kamdhenu etc.

4.1.3. Competition in Sponge Iron Market:

In fiscal 2023, India is the second largest sponge iron producer in the world. Sponge iron industry is fairly fragmented with around 310 units with an operational capacity of ~54.7 MT operating as of 2022-23. These units had a gross production of around 43.6 MT as of FY23 thereby yielding a utilization level of around 80%.

The capacity increased from 49.6 MT (2017-18) to 54.7 (2019-20) while the number of working units have remained same during the same time period, which exhibits brownfield expansion by many large players.

Industry structure in Sponge Iron:



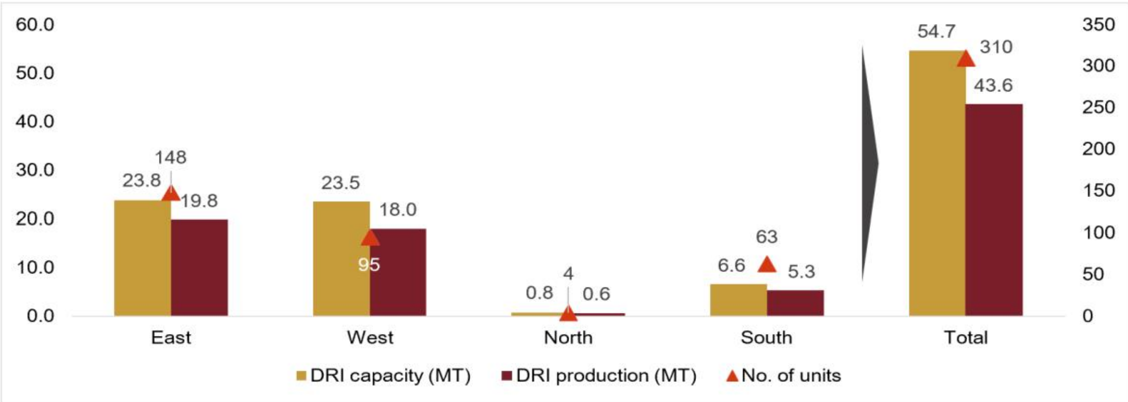
Note: the chart represents working no. of units and capacity in respective years
Source: JPC, CRISIL Research

Coal based sponge iron constitutes around than 82% of the country's sponge iron capacity / production. Odisha with 83 sponge iron units and with a capacity of 13.4 MT was the leading sponge iron producing state in the country in 2022-23. Large players have 9 DRI units with a capacity of around 17.5 MT. Against this other secondary players have around 301 units housing a capacity of around 37.3 MT as of fiscal 2023.

Player	Number of Units (FY23)	Capacity (FY23)
Large players (AMNS, JSPL, JSW,TSL)	9 units	17.5 MT
Secondary Producers	301 units	37.3 MT

In terms of regional split, West and East region houses 43% of India's sponge iron working capacity each and rest being in South. Odisha followed by Chhattisgarh in the key sponge iron producing states.

Spread of DRI units and production done across regions in Fiscal 2023



Source: JPC, CRISIL MIA Consulting

Leading players in sponge iron industry includes the following:

Player	Sponge Iron Capacity (FY23)
AM/NS	6.7 MT
JSW	4.5 MT
JSPL	3.12 MT
SMEL	2.54 MT*
Prakash Industries	1.2 MT
Tata Steel Long Products	0.96 MT
Godawari Power & Ispat	0.49 MT
MSP Steel and Power Limited	0.37 MT
Sarda Energy & Minerals	0.36 MT
Adhunik Group/ Liberty Steel	0.34 MT
Jai Balaji	0.34 MT

Source: Industry, Company Reports, CRISIL Research
*Note: *Sponge iron capacity increased from 1.2 MT to 2.54MT in Feb,2023.*

Shyam Metalics is one of the leading players and 4th largest player in the sponge iron industry in terms of sponge iron capacity as of fiscal 2023, with an annual installed capacity of 2.54 million tonne following only AM/NS, JSPL and JSW. As of Q1FY24, SMEL increased it's sponge iron capacity to 2.91 million tonne and is expected to further enhance it to 4.12 million tonne by fiscal 2025.

4.1.4. Competition in Pellets Market:

India houses 107 MT of pellet capacity which operates at around 80% of utilization. India's pellet capacity has grown at a CAGR of 7.2%, while production has logged a CAGR of 5.9% between fiscals 2018 and 2023. Large players such as AMNS and JSW Group have increased their capacity by 6 MT and 12 MT, respectively, in fiscal 2022 to meet the in-house demand from steel plants With the objective of meeting India's mission to reach 300 MT steel capacity by fiscal 2030, both primary and secondary steelmakers have announced and are undergoing significant steelmaking capacity additions. To augment their steelmaking capacity, they are also ensuring steady availability of raw materials by increasing their pellets manufacturing facility

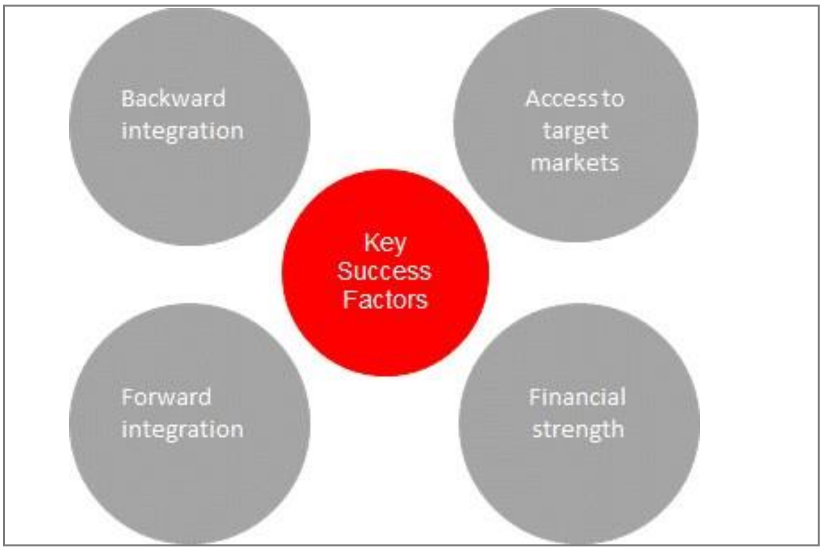
Leading players in pellet industry includes the following:

Player	Pellet Capacity
JSW Steel	34.9 MT
AM/NS	20 MT
Tata Steel Group	14.2 MT
Jindal Steel & Power Ltd	9 MT
SMEL	6 MT

These player accounts for 75-80% of pellet production in India. Shyam Metalics and Energy Limited (SMEL) is one of the leading players in terms of pellet as of fiscal 2023, and having a capacity of 6 MT.

5. Key Success and Risk Factors

Key success and risk factors for operating in the Steel sector includes:



5.1.1. Backward integration

Backward integration in the form of captive iron ore mines, coal mines, pellet plants, captive power plants, etc provides cost benefits. For instance:

- Having access to captive iron ore and coal mines not only ensures cost benefits to players, but also provides assurance of continuous raw material supply

- Also, a pellet plant enables sourcing of iron ore in the form of fines, which are more abundantly available as against lumps. Further, pellets exhibit high cold crushing strength, porosity, and high strength. These can be directly charged into a blast furnace or DRI unit. Also, pelletisation is considered a technically superior product to sinter and can be easily transported

- Having a captive power plant not only ensures regular and uninterrupted power supply, but also reduces power and fuel cost for a steel player

– While grid power cost Rs 6.0-8.0 per unit, a captive power plant significantly reduces the bill to ~Rs 3.6 per unit

- Having other backward integrations, such as railway sidings, optimises logistics and associated costs involved in procuring raw material, as well as dispatching of finished goods

5.1.2. Forward integration

Companies that are forward integrated in the long steel space enjoy better operational and financial performance. For instance, a company that already has operations up to billet production, having extended presence into TMT or finished steel ensures lower cost (given that there is no requirement to re-heat the billet). Additionally, value-added products aid in better realisations and EBITDA / tonne.

5.1.3. Access to target markets

Long-steel cannot be transported over long distances, with the market limited to 250-350-km of the plant's location. Therefore, strategic location of a plant can increase market reach and optimise logistics costs. Also, presence in high-growth markets can enable players achieve faster growth and offset rising competition.

6. Company Profile

6.1. Shyam Metalics Group

Shyam Metalics Group (Shyam Metalics and Shyam Sel & Power) is a leading integrated steel and ferro alloys producer, in terms of long steel products, in the country's eastern region. The company is present across the steel sector's value chain – pellets, sponge iron, billets, long steel (structural, TMT, wire rod), pipes, ferro alloys, railway siding and captive power plant – and has a direct and indirect employee base of over 15,000.

It has three manufacturing units with aggregate operating capacity of 2.01 million tonne per annum and a 357 MW captive power plant. Two integrated units are located in Sambalpur, Odisha and Jamuria, West Bengal, and one unit is in Mangalpur, West Bengal.

Company's product and capacity portfolio includes

Steel segment	Shyam Metalics Group
Iron pellets	6.0 MT
Sponge iron	2.91 MT
Billets / SMS	2.01 MT
Long steel (TMT, wire rods, structural)	2.07 MT
Ferro alloys	0.22 MT
Captive power plant	357 MW
Aluminium foil	0.04 MT

Source: Company information Installed capacity as of June'23
Sponge iron capacity for the company is proposed to increase to 4.12 MT by fiscal 2025

Peer comparison across key operational parameters

Company	External credit rating	Geographical location	Product portfolio
JSW Steel	CARE AA IND AA ICRA AA	Karnataka, Maharashtra and Tamil Nadu	HR, CR, colour-coated products, galvanised, galvalume, TMT bars, wire rods and special alloy steel

Tata Steel	S&P BBB- CARE AA+	Jharkhand and Odisha in India, and UK, Netherlands, Thailand, Singapore	TMT bars, structurals, CR, GC sheets, tubes, pipes, ferro alloy and automotive steel
Steel Authority of India	CARE AA	Chhattisgarh, West Bengal, Odisha, Jharkhand, Karnataka and Tamil Nadu	Bars, rods, rebars, CR, GP, HR, plates, railway products, structurals, alloy steel, pig iron and semis
Jindal Steel & Power	ICRA AA- CARE AA-	Chhattisgarh, Jharkhand and Odisha	Rails, beams and columns, plates and coils, angels and channels, TMT rebars, wire rods, sponge iron and semis
Kalyani Steel	CARE AA	Karnataka	Alloy special steel, rolled bars and rounds for seamless tubes
MSP Steel & Power	ICRA A+	Chhattisgarh	TMT bars, billets (semis), sponge iron and pellets
Prakash Industries	CARE A-	Chhattisgarh	Sponge iron, ferro alloys, billets and blooms, wire rods, TMT and structurals
Sarada Energy & Minerals	n.a.	Chhattisgarh	Sponge iron, billets, wire rods, ferro alloys and pellets

Company	External credit rating	Geographical location	Product portfolio
Vedanta Electrosteel Steels	CRISIL AA	Jharkhand	Pig iron, TMT bars, billets, iron pipes, and hot and cold-rolled steel products
Shyam Metalics	CRISIL AA	West Bengal and Odisha	Pellets, sponge iron, billets, TMT, structural, wire rods and ferro alloys

n.a.: Not available or updated
HR: Hot-rolled; CR: Cold-rolled; GC: Galvanised corrugated; GP: Galvanized pipe Source: Company reports, other secondary sources

6.1.1. Key strengths and opportunities for the company

Key areas of strength

Backward and forward integration: Shyam Metalics was one of the leading integrated steel and ferro alloy producers in India's eastern region as of fiscal 2020, with presence across the steel sector's value chain, thereby ensuring better operational and financial performances. The company's backward integration includes pellets, sponge iron and billets facilities. Forward integration is into TMT, bars, wire rods, ERW pipes and ferro alloys. Diverse product mix de-risks the company from demand volatility and cost pressures. Integration also ensures better synergies, economies of scale and more effective control of operations. Its manufacturing capacity allows cross selling of intermediate products as well, apart from captive consumption. The facilities are also supported by a captive power plant, waste heat recovery plants, coal washeries, and railway sidings, which result in cost efficiencies, besides presence across the value chain

Proximity to raw material sources and key demand clusters: While the company does not have captive iron ore mines, its proximity to raw material sources results in access to iron ore at competitive rates because of lower logistics cost, thereby supporting healthy operating profitability. The company also has long-term linkages for coal as well as chrome ore with Mahanadi Coalfields, Central Coalfields and South Eastern Coalfields. The company's plants are also in close proximity to key target markets of the eastern region, which are expected to see high construction growth over the next five years owing to rising state governments' focus on physical and social infrastructure development

Advance technology adept to market practices: Shyam Metalics has set up the latest technology at its facilities, such as direct charging of the billets and iron ore screening process, resulting in cost savings and zero wastage
Shift from B2B to B2C business : The company's revenue from B2C business increased from 38% in fiscal 2022 to 47% in fiscal 2023. With increasing focus on B2C will also help in improving overall profitability on back of better margins in B2C business.

Captive power plant: The company has a 267 MW captive power plant, which typically meets 74% of its power requirement. While average grid power is estimated to cost Rs 6.0-8.0 per unit at an all India basis, the company's power and fuel cost was significantly lower at Rs 3.6 per unit as of fiscal 2023. Further, the captive power plant uses waste heat and dolochar (non-fossil fuel) as main feeds. As power is a major raw material, this significantly adds to the competitive strength of the company

Captive railway siding: Shyam Metalics is one of the few integrated metal producers in India with captive railway sidings. The company has captive railway siding at two of its integrated manufacturing units, which ensures optimised freight cost, given that nearly 3x of raw material is to be transported for every tonne of steel produced. Further, railway freight is more cost effective than road for long distances (for above 500 km, railway is 20-30% cheaper than road)

Better financial strength in the long steel space: Despite lower cash flow, balance sheet strength of the company continues to sustain, with consolidated net worth of Rs 7,547 crore as on March 31, 2023, compared to debt of Rs 1,152 crore, along with sizeable cash surplus of ~Rs 1,500 crore. Working capital management has also been prudent. Further, the company sells mainly on advance/letter of credit basis and, hence, debtor days are low at 15-30. Inventory is maintained for 70-90 days, with majority comprising raw materials

Opportunity areas:

Rising demand from long steel and ferro alloys: Planned investments across metros, dedicated freight corridors, roads and ports to support demand for long steel. The ferro alloys sector is also expected to grow on the back of demand growth from stainless steel and carbon steel through fiscal 2028.

Planned expansion in new high growth potential sectors: The company is planning to set up a blast furnace to further diversify its presence in Ductile Iron pipes. Output (pig iron) from the blast furnace may serve as a raw material for the planned DI unit alongside IF units.

DI pipes: Demand for DI pipes is expected to witness a robust growth of 8-9%, led by the government's continuous efforts to increase the penetration of tap water, improve sewage facilities under various schemes such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Swachh Bharat Abhiyan, National Clean Ganga Mission, etc.

Value added/downstream products: The company is planning to increase its share of downstream products by adding stainless steel and colour-coated sheets in its offerings.

Weakness/threat:

Inherent cyclicality in steel sector: The group's performance remains vulnerable to cyclicality in the steel sector given the close linkage between demand for steel products and the domestic and global economy. Its end-user segments such as real estate, civil construction and engineering are also cyclical.

Volatility in raw material prices: The prices and supply of the main raw material, iron ore, directly impacts the realisations of finished goods. Further, the steel sector remains exposed to steel prices globally. Operating margins are vulnerable to volatility in input prices (iron ore and coal) as well as realisation from finished goods.

6.2. Group companies

6.2.1. Ramsarup Industries Ltd

Shyam Metalics Group has acquired Ramsarup Industries Ltd under the National Company Law Tribunal (NCLT) process through the consortium of SS Natural Resources Pvt Ltd and Shyam Sel and Power Ltd, group companies of Shyam Metalics and Energy Ltd. Ramsarup Industries Ltd manufactures wire rods, pig iron, sponge iron, TMT bars, and is involved in wind power generation as well.

The acquisition will synergise the group's existing steel business with the horizontal integration of steel manufacturing facilities and has the potential to generate significant efficiencies, including enhancing production capacity.

6.2.2. Shyam Metalics Flat Product Pvt Ltd

Shyam Metalics Flat Product Pvt Ltd was incorporated in 2022 under the provisions of the Companies Act, 2013. The company has proposed to install a cold rolling mill complex in the Paschim Bardhhaman district of West Bengal.

6.2.3. Shree Venkateshwara Electrocast Pvt Ltd

In February 2012, Shree Venkateshwara Electrocast Pvt Ltd started a greenfield project for the production of high-quality aluminium products by setting up a state-of-the-art plant with modern machinery and facilities. In August 2014, the company started its commercial production with a wide range of products in pharmaceuticals, house foil, SRC containers and other items in the packaging industry. The plant has been running successfully, producing 300 MT per month at an average output thickness of 10 micron. In March 2017, the company entered into a contract with Hindalco Industries Ltd for manufacturing various products on job-work basis.

6.2.4. Mittal Corp Ltd

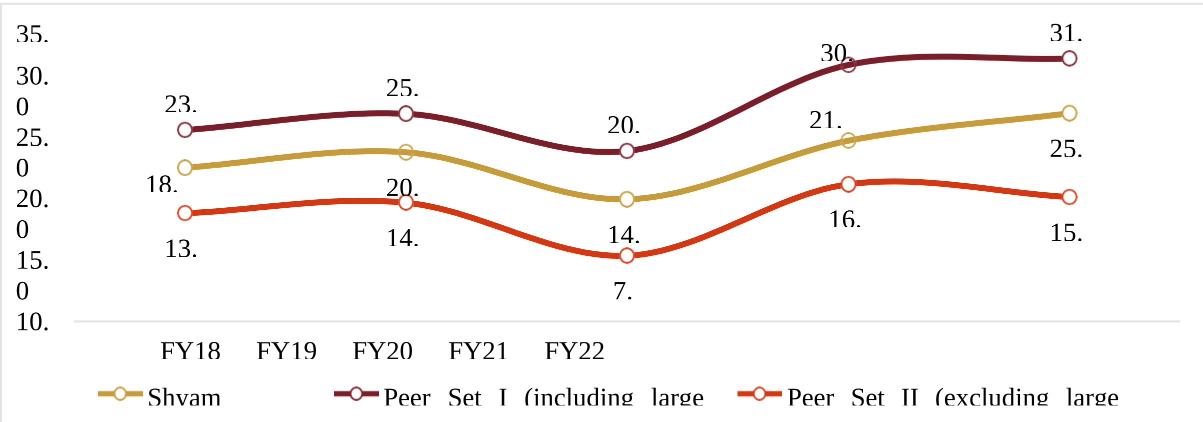
Mittal Corp Ltd (MCL) manufactures stainless steel billets, blooms and rolled flats of various thicknesses/widths. Its manufacturing facility is located in Pithampur (Madhya Pradesh). The company has a manufacturing capacity of 150,000 tps. It is an ISO 9001:2008 and ISO 14001:2004 certified company. The company was incorporated in 1985 and is headquartered in Mumbai, Maharashtra.

Shyam Metalics Group announced the acquisition of MCL. Total outgo in fiscal 2024 towards completion of the acquisition is ~Rs 351 crore. The group is awaiting the final order from the NCLT after the legal process is completed.

6.3. Financial Profile

Comparison of EBITDA Margin (in per cent)

(Definition: EBITDA margin is a measure of a company's operating profit as a percentage of its revenue. The acronym stands for earnings before interest, taxes, depreciation, and amortization)

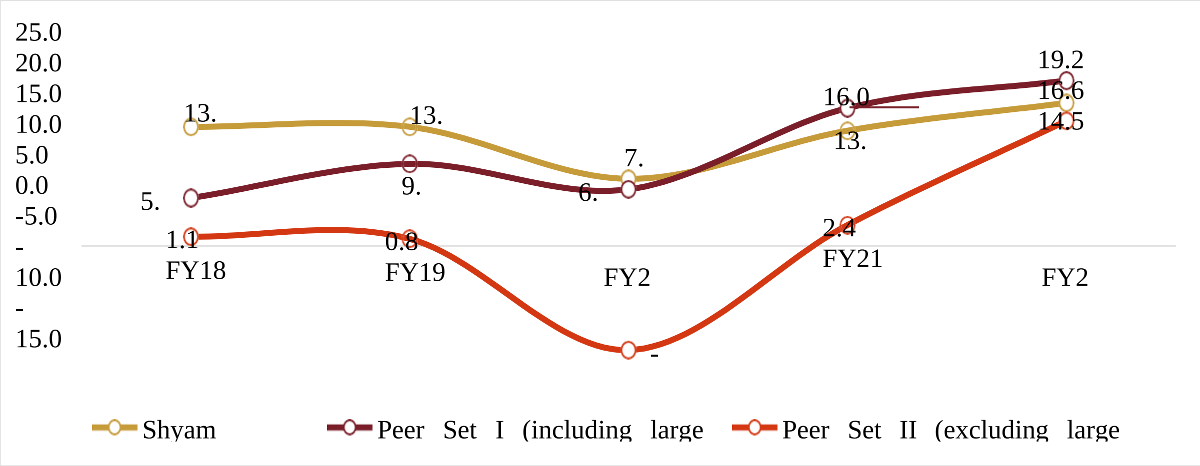


Note: Peer Set I includes JSW, Tata, JSPL, Prakash Industries Ltd, Tata Steel Long Products, Tata Metaliks, Jayaswal Neco, Electrotherm. Peer Set II includes companies in peer set I except large players (Tata, JSW, and JSPL).
Source: Companies, CRISIL MI&A

Shyam Metalics has consistently outperformed its peers (set II) in terms of profitability, largely on account of backward (such as pellets) and forward integrated operations. Moreover, better operating performance is also attributed to a well-diversified presence of the company and de-risk itself from a downfall in any particular segment within the value chain. Majority of the power costs is being met through captive sources, which results in low power costs and thereby improving operating performance vis-à-vis its peers. Shyam Metalics also enjoys low freight costs following captive railway siding.

Comparison of Net Profit Margin (in per cent)

(Definition: Net profit margin is the ratio of net profits to revenues for a company)

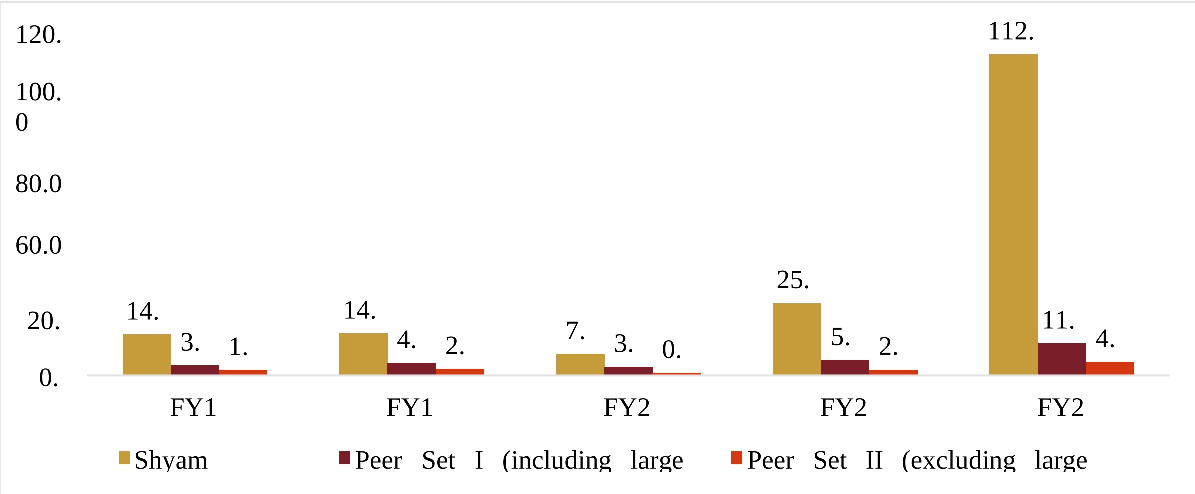


Note: Peer Set I includes JSW, Tata, JSPL, Prakash Industries Ltd, Tata Steel Long Products, Tata Metaliks, Jayaswal Neco, Electrotherm. Peer Set II includes companies in peer set I except large players (Tata, JSW, and JSPL).
Source: Companies, CRISIL MI&A

With improvement in operating margins, net margins of the company have fared better than peer set II in all years. Shyam Metalics has reported highest operating margins of 25% in FY22 as against NPM of 16.6% during the same fiscal.

Comparison of Key Financial Ratios - Interest Coverage (in times)

(Definition: The interest coverage ratio is a debt ratio and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.)

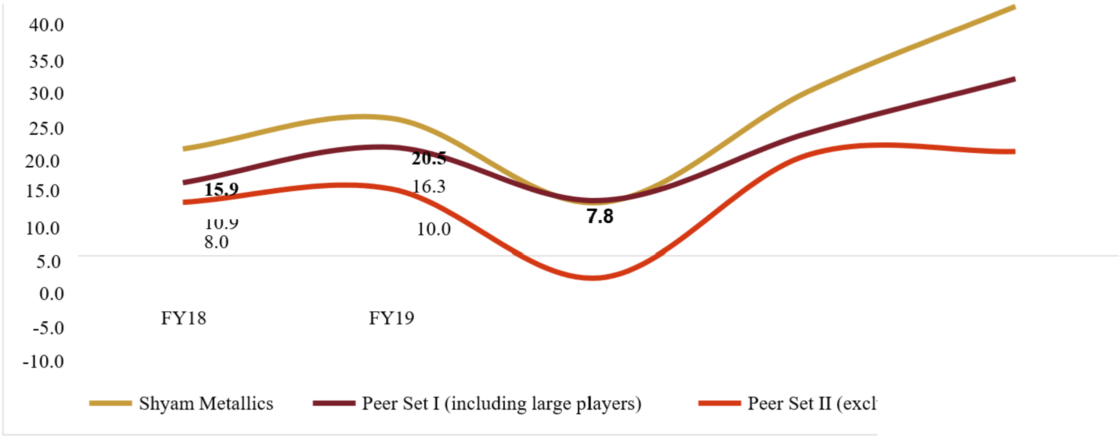


Note: Peer Set I includes JSW, Tata, JSPL, Prakash Industries Ltd, Tata Steel Long Products, Tata Metaliks, Jayaswal Neco, Electrotherm. Peer Set II includes companies in peer set I except large players (Tata, JSW, and JSPL).
Source: Companies, CRISIL MI&A

Shyam Metalics's interest coverage has increased in last 3 years and is much higher as compared to both peer sets throughout last five years. Shyam Metalics reported interest coverage ratio of 25.2 times as in FY21 as against 14.3 times in FY18. Shyam Metalics's interest coverage is one of the highest among its competitors on back of low debt.

Comparison of Key Financial Ratios - ROCE (in per cent)

(Definition: The term return on capital employed (ROCE) refers to a financial ratio that can be used to assess a company's profitability and capital efficiency.)

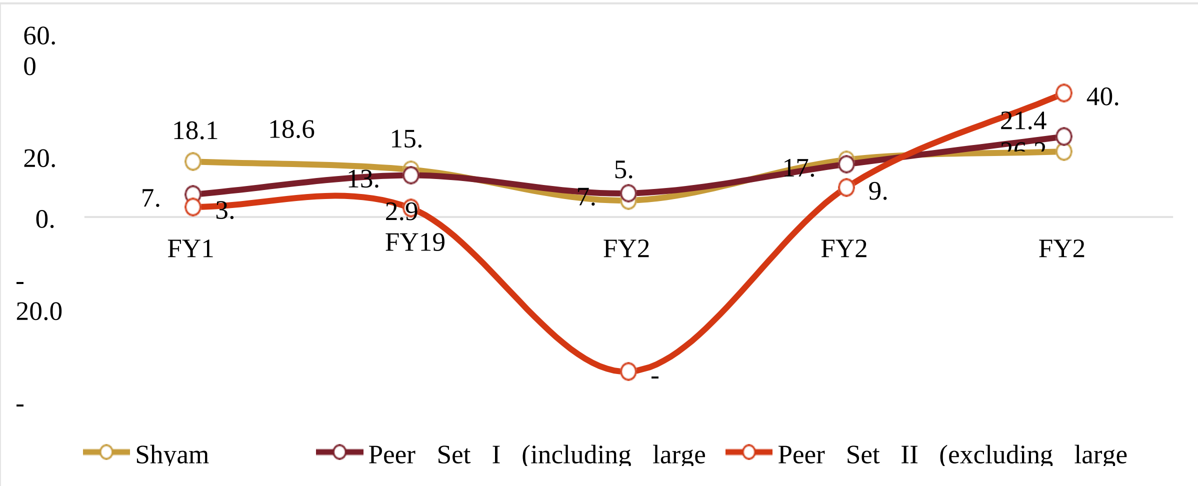


Note: Peer Set I includes JSW, Tata, JSPL, Prakash Industries Ltd, Tata Steel Long Products, Tata Metaliks, Jayaswal Neco,Electrotherm. Peer Set II includes companies in peer set I except large players (Tata, JSW, and JSPL).
Source: Companies, CRISIL MI&A

The company's ROCE has been on the increasing trend over the last three years. ROCE increased from 7.8% in fiscal 2020 to 37.3% in fiscal 2022. The company's ROCE is higher than both the peer sets across the years. High profits in the last two years have significantly helped to increase the ROCE.

Comparison of Key Financial Ratios – ROE (in per cent)

(Definition: Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.)

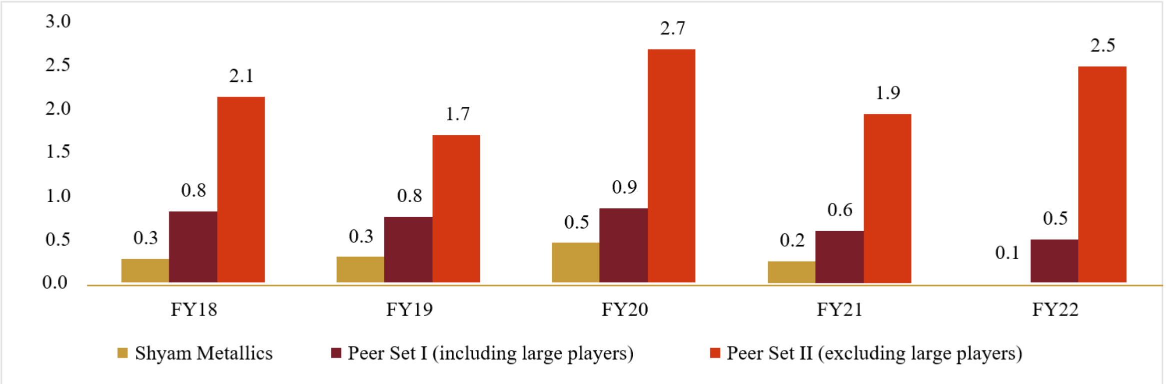


Note: Peer Set I includes JSW, Tata, JSPL, Prakash Industries Ltd, Tata Steel Long Products, Tata Metaliks, Jayaswal Neco, Electrotherm. Peer Set II includes companies in peer set I except large players (Tata, JSW, and JSPL).
Source: Companies, CRISIL MI&A

The company's ROE has been on the increasing trend over the last three years. ROE increased from 5.4 % in fiscal 2020 to 21.4% in fiscal 2022. High profits in the last two years have significantly helped to increase the ROE.

Comparison of Key Financial Ratios – Gearing (in times)

(Definition - The gearing ratio is a financial ratio that compares some form of owner's equity (or capital) to debt, or funds borrowed by the company. The gearing ratio is a measure of financial leverage that demonstrates the degree to which a firm's operations are funded by equity capital versus debt financing)

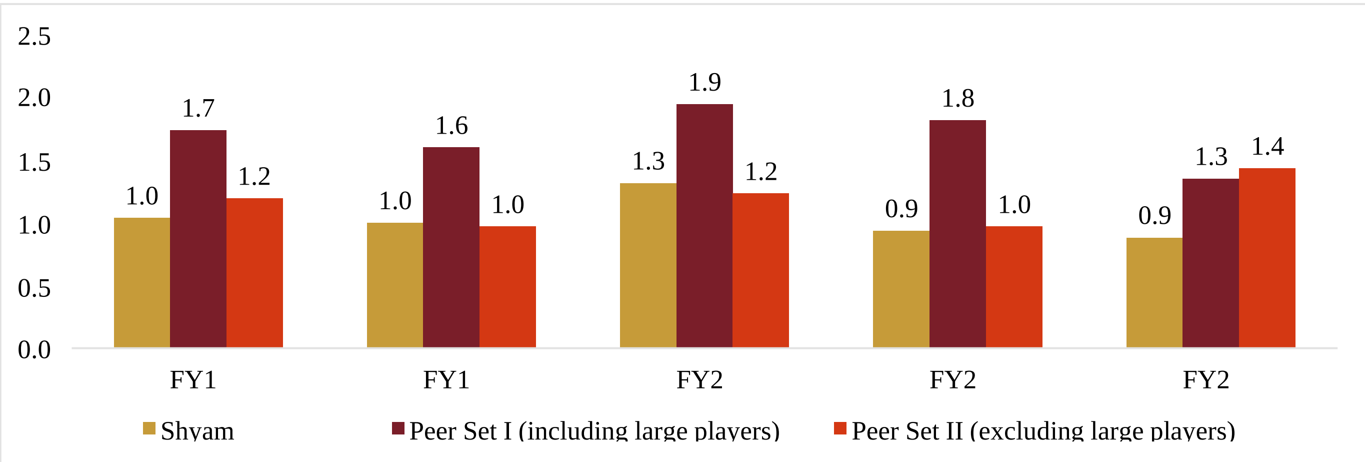


Note: Peer Set I includes JSW, Tata, JSPL, Prakash Industries Ltd, Tata Steel Long Products, Tata Metaliks, Jayaswal Neco,Electrotherm. Peer Set II includes companies in peer set I except large players (Tata, JSW, and JSPL).
Source: Companies, CRISIL MI&A

The company's gearing has reduced from 0.5 times as of March 2020 to 0.1 times as of March 2022. Shyam Metalics has better financial strength as compared to other companies operating in long and intermediary steel sector.

Comparison of Key Financial Ratios – Capital intensity ratio (in times)

(Definition - The capital intensity ratio (CIR) is a measurement of the financial efficiency of a company. By looking at the number of assets or capital a company needs to generate a dollar of revenue, it's possible to learn about its business model's overall health and stability)



Note: Peer Set I includes JSW, Tata, JSPL, Prakash Industries Ltd, Tata Steel Long Products, Tata Metaliks, Jayaswal Neco, Electrotherm. Peer Set II includes companies in peer set I except large players (Tata, JSW, and JSPL).
Source: Companies, CRISIL MI&A

The company's capital intensity ratio has remain rangebound between 1.0- 0.9 between fiscals 2018 and 2022. The company has lower capital intensity ratio in comparison to both the peer set indicating better capital spending.

7. Ferro Alloys Market Assessment

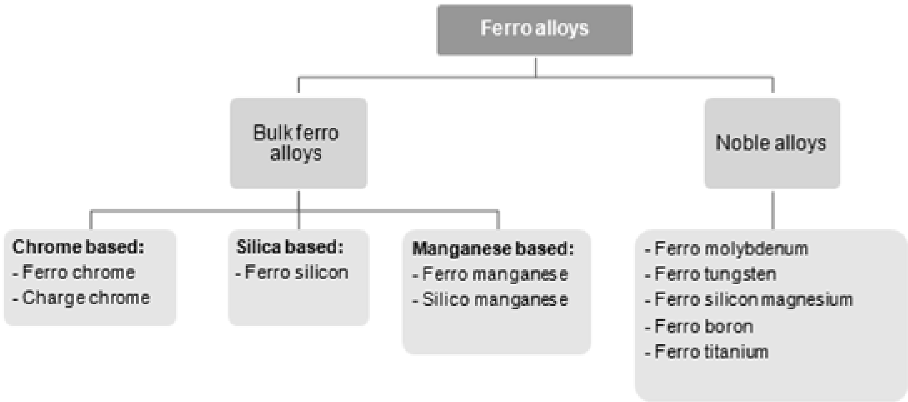
7.1. Industry Overview

Ferro alloys contain chromium, manganese, silicon and other elements like molybdenum, titanium, tungsten and vanadium in varying proportions. These are some important inputs in manufacturing steel as they impart special properties to steel. Ferro alloys provide increased resistance to corrosion, and improved hardness and tensile strength at high temperatures. They also give wear and abrasion resistance, as well as increase creep strength. Although ferro alloy manufacturers constitute less than 1% of the raw materials needed to make steel, owing to contribution of specific properties to the alloy, these are vital ingredients in the steel-making process. The growth of the ferro alloy industry is, thus, linked with the prospects of the steel and stainless steel industries.

There are two major groups of alloys.

1. **Bulk alloys** consisting of Ferro alloys of Manganese, Chromium and Silicon which are added in larger proportion to steels

2. **Noble Ferro** alloys which are used in much smaller proportion in special and alloy steels; addition of vanadium, molybdenum, Tungsten, Zirconium, Titanium, Boron, Magnesium Silicon and extra Low Carbon Ferro Chrome etc.

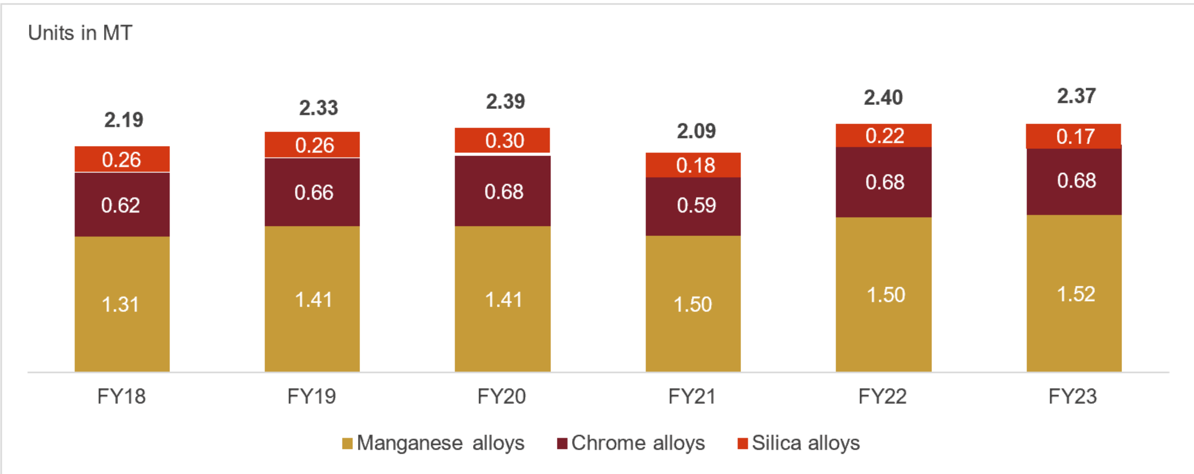


Source: CRISIL Research

The manufacturing of crude steel and steel products, including castings, alloy steel, and stainless steel, both depend heavily on ferroalloys. With its many applications, stainless steel adoption is especially buoyant and is becoming widely accepted in the consumer goods, process industries, and other infra and transport categories. The Indian ferro-alloys industry includes chrome alloys, manganese alloys, silica alloys, etc.

The domestic demand for ferroalloys grew at a CAGR of 1.59% during the Fiscal period 2018-23; the demand soared in Fiscal 2022 logging a y-o-y growth of 14.83% in FY22 to reach 2.40 MT. Demand for ferromanganese constituted the majority portion, i.e., ~64% while the rest is formed by ferrochrome and ferrosilicon in Fiscal 2023.

Market composition

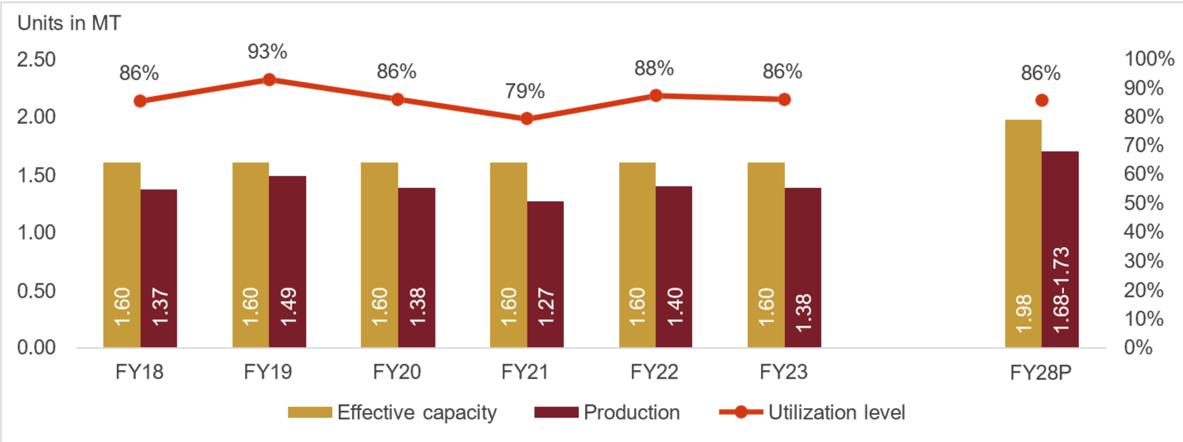


7.1.1. Ferrochrome market assessment

India has a ferrochrome production capacity of 1.60 MT during the Fiscal period 2018-23 in which they maintained an average utilization of 86% during the same period. In Fiscal 2023, India produced 1.37 MT of ferrochrome operating at a utilization level of 87%. With ferrochrome manufacturers having reaped bumper margins in Fiscal 2022 owing to steep rise in realizations, several players have announced expansions and consolidations. In FY24, capacity will grow by 0.28 MT. IMFA will contribute 0.10 MT, and Tata Steel Mining Limited. will contribute 0.45 MT. The recently purchased Rohit Ferro Tech completes 0.28 MT of the 0.45 MT of capacity added by TSML which is expected to lead to a lower utilisation level of 78-80% in FY24 from 86% in FY23. A further 1.00-1.10 MT of capacity of Jindal Stainless is expected to come onstream by Fiscal 2024, supporting production levels to meet expanding flat stainless-steel demand and thereby supporting ferrochrome production.

With the capacity additions planned coming operational, the total ferrochrome manufacturing capacity is expected to reach 1.98 MT in Fiscal 2028 with an annual production of 1.60-1.65 MT to be made at a utilization level of 82%.

Capacity and production review and outlook of ferrochrome

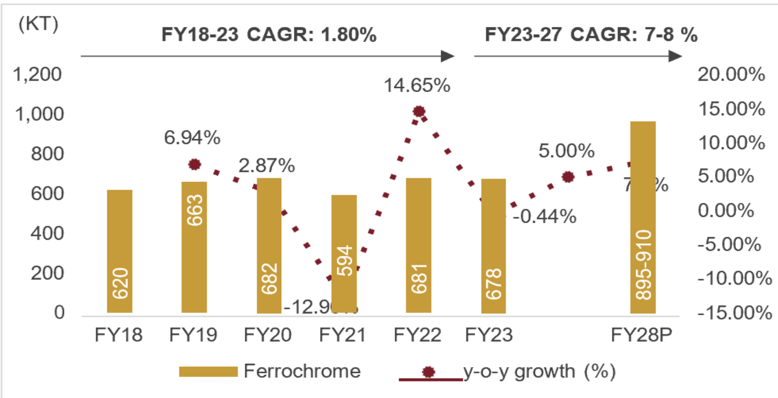


Source: CRISIL MIA Consulting

Chrome alloy finds application in mainly stainless-steel production (70-72%), castings (7-10%), and other alloys (20- 22%). In the past Fiscal period 2018-23, ferrochrome demand increased from 620 KT in Fiscal 2019 to 678 KT in Fiscal 2023. The demand was driven by growing demand of stainless-steel automobile, building & construction and consumables industry.

The ferrochrome demand is further expected to increase at a CAGR of 7-8% during the Fiscal period 2023-28 supported by growth in stainless steel demand and other end-use sectors. India is still the world's second-largest consumer of stainless steel, and demand is growing in sectors including process industries and the automobile, building & construction and consumables segment. The ferrochrome market is anticipated to grow over the next five years to reach 940-980 KT by Fiscal 2028, as new stainless steel capacity expansions are expected to be operational in the coming years.

Demand review and outlook of ferrochrome



End-use sector	% share in demand	CAGR 2023-28
Stainless steel	70-72%	7.50-8.50%
Other alloys	20-22%	4.50-5.50%
Castings	7-9%	7.50-8.50%

Source: CRISIL MIA Consulting

Prices for domestic ferrochrome increased on April 22 to Rs 1,17,000 and on May 22 to Rs 1,21,000 before beginning to decline till December 22. After the government implied export taxes on steel and stainless-steel products, for which ferrochrome is a crucial raw material, prices began to fall starting in June. After the levy, steel exports fell. However, with the rollback of export taxes on steel goods in November 22, prices began to rise from Jan'23 as a result of rising domestic and international demand. A decrease in the cost of coking coal and chrome ore was another reason that caused the price to drop. Due to sluggish worldwide markets, ferrochrome prices in FY23 averaged Rs 1,03,442 a ton, a 2% decrease from the previous year.

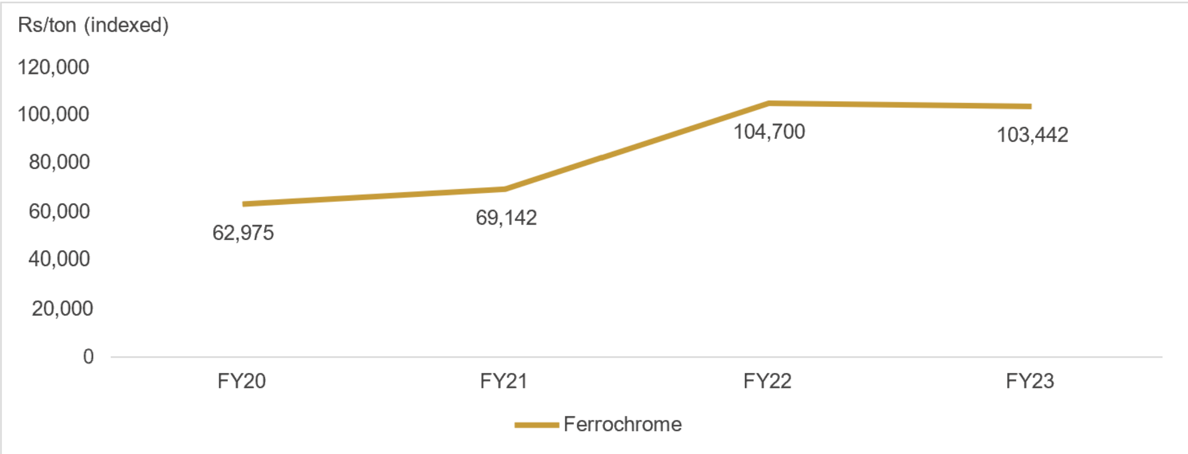
Ferrochrome prices have seen record highs in FY22 due to a combination of multitude of factors like strong demand and higher input costs.

- Strong demand for the metal was witnessed in both global and domestic markets. China, specifically saw higher demand due to country's return from the golden week holidays spurring restocking demand from Chinese mills. This was further aggravated by lower production amidst energy rationings

- Input materials like Chrome ore and coking coal have both seen a rise of nearly 67% in the FY22 due to weather disruptions in Australia

In Fiscal 2023, the alloy market saw volatile market trends due to export duty implication in H1FY23 and weak global steel markets. This Fiscal ferro alloy industry witnessed chrome alloy prices dropping sequentially on month in April'23 as a result of weak export demand and low input costs (thermal coal).

Domestic price trend



Source: CRISIL MIA Consulting
Note: International ferrochrome prices (base price- $856 per tonne) have been indexed to 100 base- January 2005

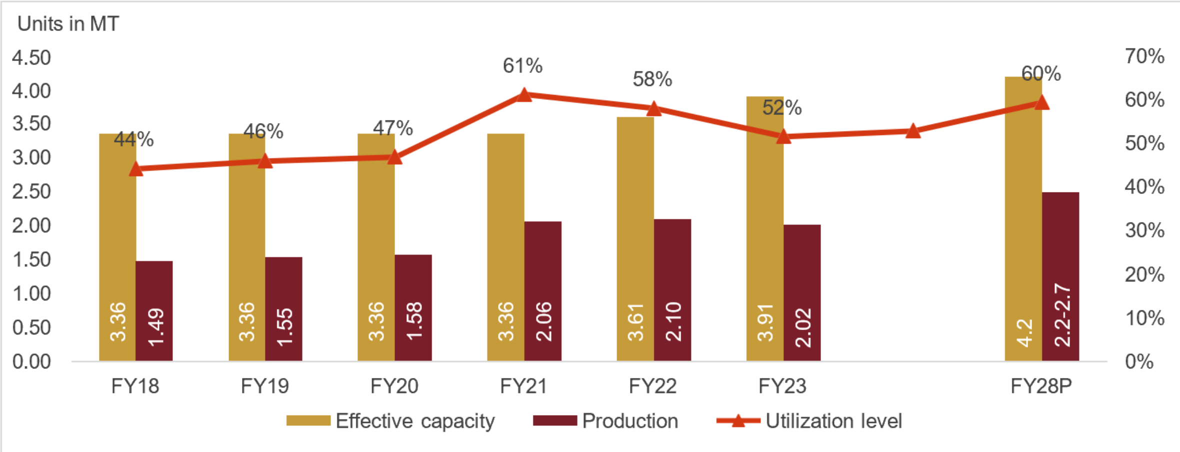
7.1.2. Ferromanganese market assessment

In FY23, the effective production capacity for ferro-manganese was 3.91 MT, and 2.02 MT of manganese alloy was produced, indicating utilisation levels of 52%. Capacities are expected to reach 4.20 MT by 2028 as Vinay Alloys, Abhijeet Ferrotech, and other players come up with expansion plans.

Utilisation of pure manganese alloy capacities shot up to over 100%. However, interchangeability of chrome alloy capacities into manganese alloy provided headroom to expand production. In the Fiscal period 18-23, India maintained an average utilization of 51% with capacity of 3.36 MT during the Fiscal period 2018-2021. In FY22, the effective production capacity for ferro-manganese was 3.61 MT and 2.10 MT of manganese alloy was produced, indicating utilisation levels of 58%.

With the capacity additions planned coming operational, the total ferromanganese manufacturing capacity is expected to reach 4.20 MT in Fiscal 2028 with an annual production of 2.2-2.7 MT to be made at a utilization level of 60%.

Capacity and production review and outlook of ferromanganese



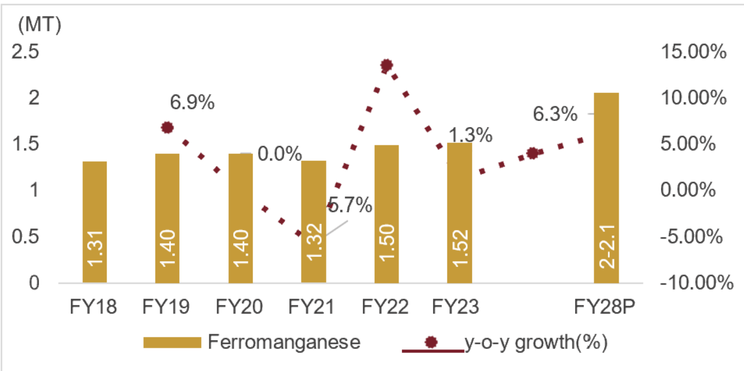
Source: CRISIL MIA Consulting

The stainless steel and carbon steel sectors are the main drivers of manganese alloy demand. The carbon steel sector accounts for 75% and stainless steel for 5–6% of the alloy demand.

In the past Fiscal period 2018-23, ferromanganese demand increased from 1.31 MT in Fiscal 2018 to 1.52 MT in Fiscal 2023. In Fiscal 2021, domestic ferro manganese demand declined 4-6% on-year due to a fall in crude and stainless-steel production amid the Covid-19 fallout. Domestic crude steel production declined 3-4% and stainless-steel demand dropped 18-20% in the Fiscal. In Fiscal 2022, manganese alloy demand posted double-digit growth for the first time in a decade, with demand in volume terms increasing 14% on-year over a low base and pent-up demand from end-use segments for crude and stainless steel.

Led by the robust expansion of the crude steel market, average domestic demand growth for manganese alloys stood at 4.80% for Fiscal 2023. However, the production of stainless steel experienced negative growth as exports remained poor as a result of the implementation of export duties in the first three quarters of the Fiscal 2023. With healthy production outlook of 7-8% for crude steel, average domestic demand for manganese alloys is projected to rise at 6-7% during the Fiscal period 2023-28.

Demand review and outlook



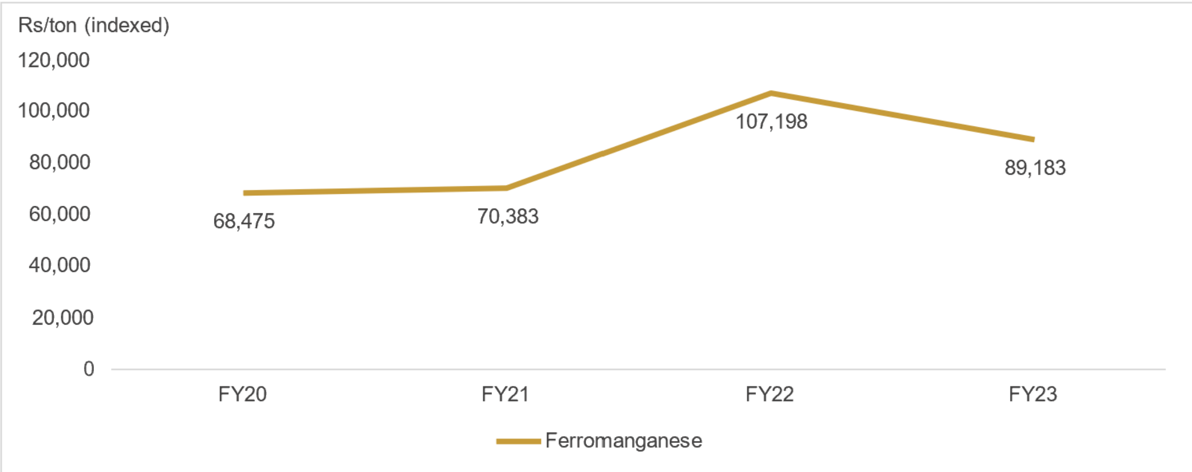
End-use sector	% share in demand	CAGR 2023-28
Carbon steel	74-76%	6.50-7.50%
Stainless steel	4-6%	7.50-8.50%
Others	19-21%	2.50-3.50%

Source: CRISIL MIA Consulting

Ferromanganese price rose significantly in the first half of FY22, marking a 20-25% increase on-year. This rally only intensified in the second half as the EU saw supply shortages due to exceptionally high demand and insufficient supply. Further, supply from Brazil and Malaysia were disrupted initially, stoking concerns of a serious shortage. This, in turn, drove up the price further in the export market. And as, India exports ~45-55% of its output, this had a direct impact on domestic price, too.

Ferro-manganese prices, which touched a high of Rs 1,10,000 per ton in April'22 started declining since May 2022 as export duty revision on stainless steel and carbon steel impacted production of steel products, thereby affecting ferro manganese demand in the domestic market. After the export tariff was rolled back in late November of last year, prices began to rise in January of this year. Prices for ferro-manganese on average decreased 17% year on year and reached Rs 89,183 per ton. Additional price reductions were made possible by a decline in manganese ore input costs brought on by a decrease in demand. However, in FY23, coal prices increased 4% year on year limiting further price corrections.

Domestic price trend



Source: CRISIL MIA Consulting
Note: International ferromanganese prices (base price- $1,330 per tonne) have been indexed to 100 base- September 2010

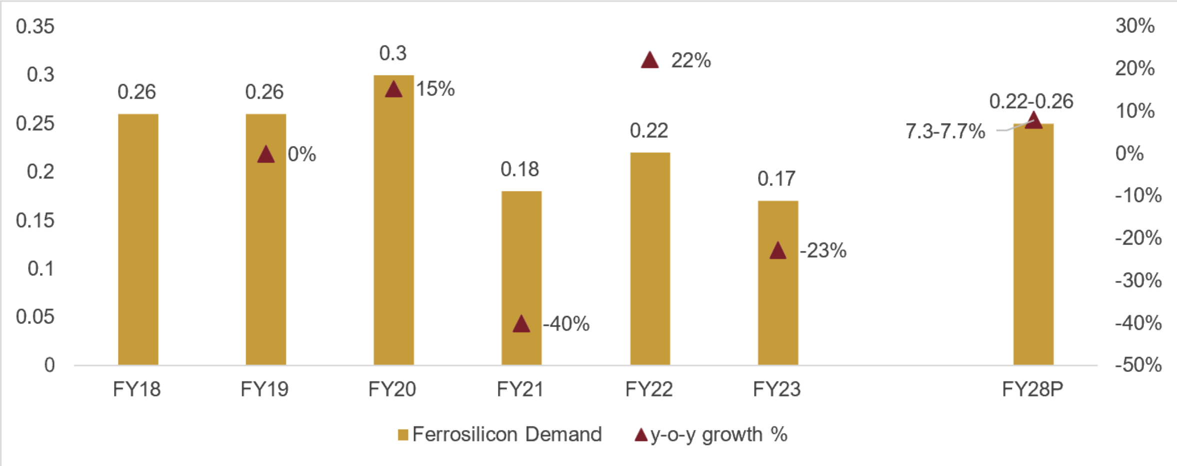
7.1.3. Ferrosilicon market assessment

India has a ferrosilicon capacity of 0.25 MT in Fiscal 2023. The production is dependent on high power requirements which limits the utilization levels of the players. Despite being highly mineral rich, the ferrosilicon production capacities in India operated at low utilization levels of 39% in Fiscal years 2018 & 2019 and then stopped production in subsequent years. While the domestic installed capacity for ferrosilicon is 250 KT, various players have scaled down their production in Fiscal 2019 and continued with zero production thereafter till Fiscal 2022. They are interchangeably producing other forms of ferro alloy like ferro manganese or ferro chromium.

Ferrosilicon industry is marred with higher electricity tariffs. The industry is fully import dependant with majority imports done from Bhutan. The imports declined by ~39% in Fiscal 2021 due to Covid-19 lockdown across countries impacting logistics. Iron & steel industry consumes the major portion of Ferrosilicon produced and imported in the country. The ferrosilicon demand picked up in Fiscal 2022 by 22% in Fiscal 2022 with recovery seen in iron & steel sector.

The import dependent demand is projected to rise at a CAGR of 7.30-7.70% during the Fiscal period 2023-28 supported by growth in crude steel production.

Demand review and outlook



Source: CRISIL MIA Consulting

E: Estimated

Majority of the ferro-alloys capacities (almost two-third) are located in Eastern belt especially in the states of West Bengal and Chhattisgarh. Leading players in the ferro-alloys industry include:

Player	Ferro Alloys Capacity (FY22)
Shyam Metalics	0.22 MT
IMFA	0.275 MT
Balasore Alloys	0.16 MT
Abhijeet Alloys	0.2 MT
Modern India Concast Ltd.	0.2 MT
Shri Girija Alloys and Power	0.15 MT
Tata Steel	0.11 MT
Nava Bharat Ventures Ltd.	0.13 MT

Source: Industry, Company Reports, CRISIL Research

Shyam Metalics is amongst the largest producer of ferro-alloys in terms of installed capacity domestically with an annual installed capacity of 0.22 million tonne as of Feb 2023, with 6.6% share in the capacity. The capacity is expected to increase to 0.24 million tonnes by FY24/25.

8. DI Pipes Market Assessment

Ductile iron (DI) pipe is a pipe made of ductile cast iron, commonly used for potable water transmission and distribution. DI pipes have directly evolved from earlier cast iron pipes. Ductile iron is made by adding a closely controlled amount of magnesium alloy to molten iron of low phosphorous and sulphur content. The magnesium alloy addition produces a notable change in the microstructure, by causing the carbon in the iron to form a spheroidal or nodular shape (as contrasted to the flake form of graphite in grey cast iron), and at the same time, produces a finer grained iron matrix in the surrounding ferrite structure. As a result of this change, a far stronger, tougher, and ductile material is obtained.

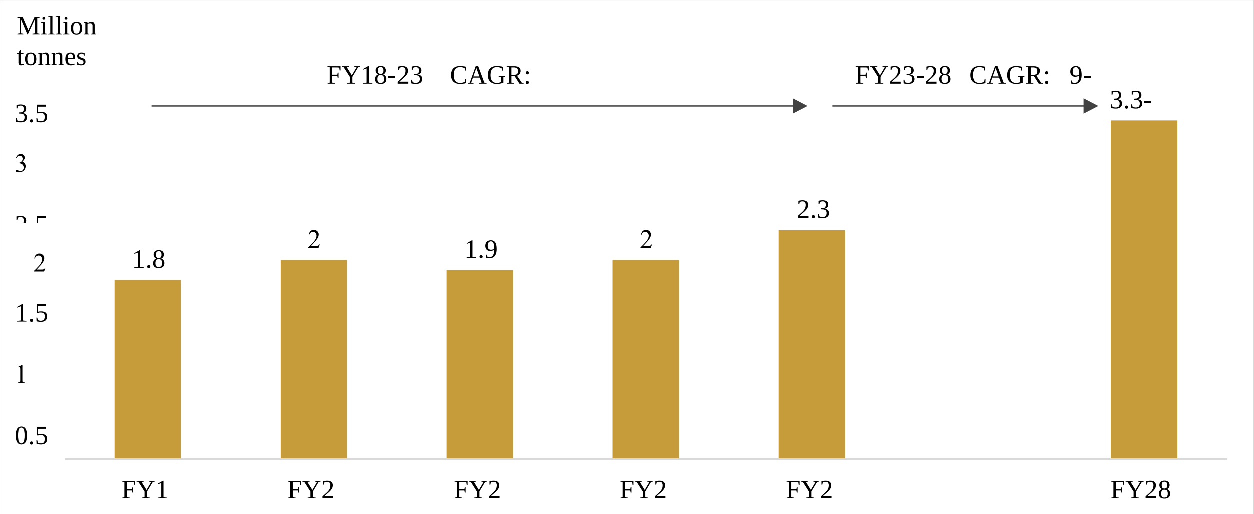
8.1. Demand review and outlook

DI pipes are primarily employed for water supply and sanitation (WSS) projects. Major demand sources for these products are public sector projects undertaken by central, state, and municipal-level bodies. DI pipe consumption grew 4% from fiscal 2019 to last fiscal. DI pipe demand decreased 5.9% on-year in fiscal 2021 due to the Covid-

19 pandemic. In fiscal 2022, demand grew 6.2% on-year as construction work restarted. Last fiscal, demand surged 14% on-year driven by the government's impetus on water pipelines and irrigation.

CRISIL MI&A Research projects DI pipe demand to grow 10-11% next fiscal due to the government's focus on water projects (Jal Jeevan Mission) in various states. It expects demand to log 9-10% CAGR between fiscals 2023 and 2028.

DI pipe demand

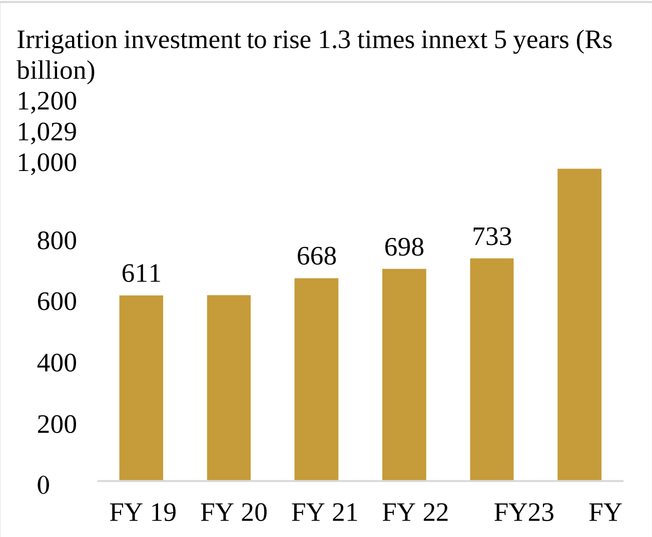


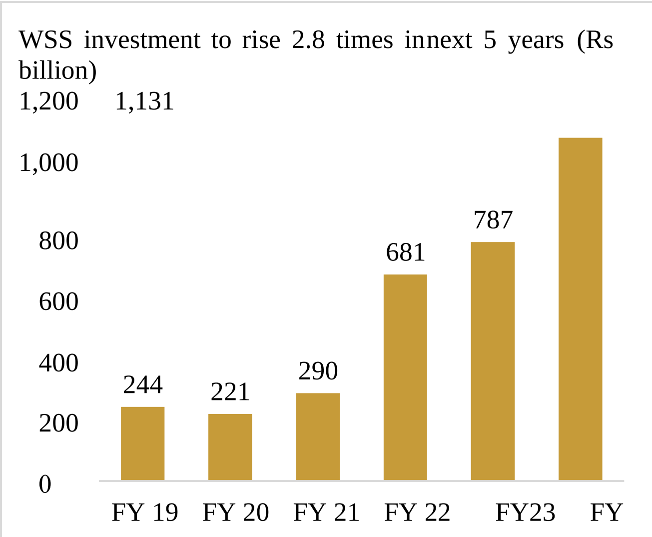
Source: CRISIL MI&A

Key growth drivers of DI pipe demand:

- Increased spending by state governments and municipal corporations to improve accessibility of water for an increasing population
- Central government-led schemes to augment WSS, such as Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and Swachh Bharat Mission
- Increased government acceptance for usage of DI pipes in WSS projects across India, resulting in higher penetration due to their various merits

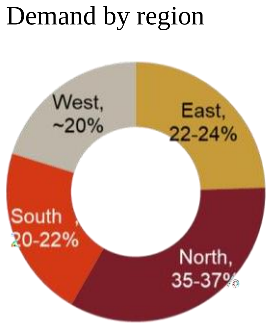
Government plans of irrigation and WSS investments

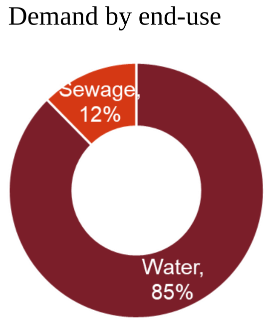




Source: Industry, CRISIL MI&A Research

DI pipe demand by region and end-use (fiscal 2023)



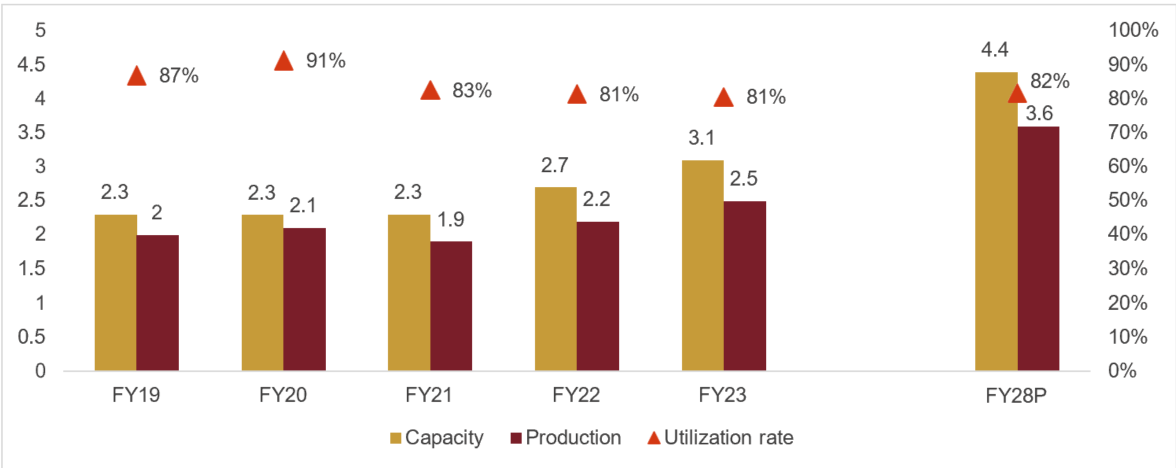


Source: Industry, CRISIL MI&A Research
East *— Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tripura, West Bengal*
West *— Gujarat, Madhya Pradesh, Maharashtra*
North *— Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand*
South *— Andhra Pradesh, Goa, Karnataka, Kerala, Puducherry, Tamil Nadu, Telangana*

8.2. Supply review

DI pipe production in India rose 14.7% on-year in fiscal 2022 after economy started reviving from Covid pandemic. The demand grew 12.2% on-year in fiscal 2023 with increase in demand from government projects and schemes.

DI pipe supply



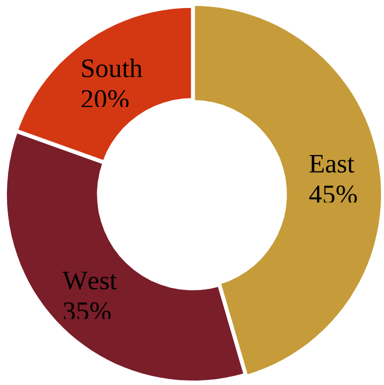
Source: Industry, CRISIL MI&A Research

The capacity utilization decreased from 82% in fiscal 2022 to 79% last fiscal, due to additional capacity of 0.46 MTPA last fiscal over capacity of 2.7 MTPA in fiscal 2022. Tata Metaliks added capacity of 0.6 MTPA in the second half last fiscal. Welspun commenced a greenfield DI plant with capacity of 0.4 MTPA in Kutch, Gujarat, in October 2022.

Eastern and western regions contributed the highest to DI pipe capacity

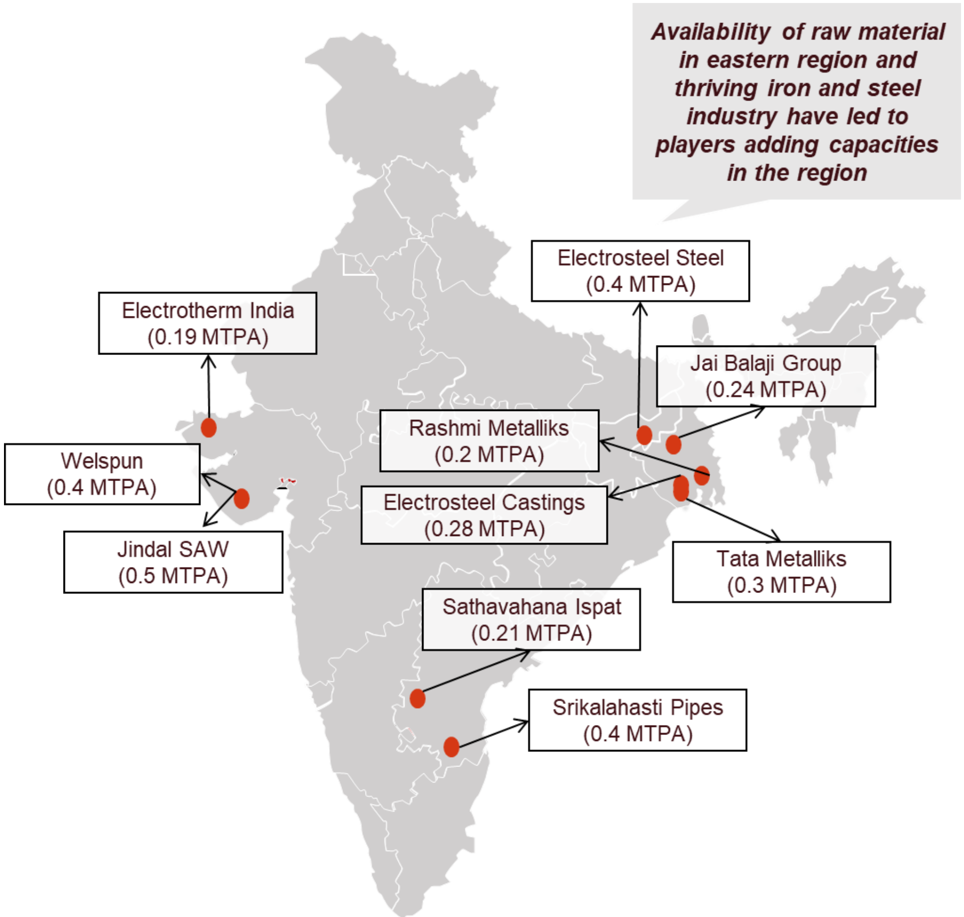
The DI pipe industry is primarily an organised market dominated by a few key players. Currently, there are 10 major DI pipe manufacturers in India, concentrated in the western, eastern and southern regions of India.
In the eastern region, West Bengal houses four manufacturing units, while Jharkhand, another key state for the metal industry, houses one. Availability of raw material in the eastern region, along with the thriving ecosystem for the iron and steel industry, has led players to add capacities in the region.

Region-wise DI pipe capacity share (fiscal 2023)



Source: Industry, CRISIL MI&A Research

Region-wise DI pipe capacity split



Source: Industry, CRISIL MI&A Research

In fiscal 2022, Srikalahasthi Pipes added 0.1 MT DI pipe capacity, Electrosteel Castings Ltd. added 0.18 MT, and Tata Metaliks added 0.06 MT, increasing total domestic capacity to 2.68 MT (vs 2.34 MT in fiscal 2021). Last fiscal, Welspun Group added 0.4 MT greenfield DI pipe capacity in Gujarat and Tata Metaliks added 40 KT capacity. Thus, total domestic capacity stood at 3.12 MT last fiscal.

Srikalahasthi Pipes and Tata Metaliks are expected to increase their DI pipe capacity by 0.1 MT each next fiscal. In fiscal 2026, Sathavahana Ispat is expected to increase its capacity by 0.32 MT and Tata Metaliks by 0.1 MT.

Player-wise DI pipe capacity expansion (fiscal 2021 to fiscal 2026)

		Based on announcements				
Name of the company	**Unit**	**FY21**	**FY22**	**FY23**	**FY24**	**FY26**
Jindal SAW	MT	0.50	0.50	0.50	0.50	0.50
Srikalahasthi Pipes	MT	0.30	0.40	0.40	0.50	0.50
Electrosteel Castings	MT	0.28	0.28	0.28	0.28	0.28
Electrosteel Steel	MT	0.22	0.40	0.40	0.40	0.40
Tata Metaliks	MT	0.20	0.26	0.30	0.40	0.50
Jai Balaji Group	MT	0.24	0.24	0.24	0.24	0.24
Electrotherm India	MT	0.19	0.19	0.19	0.19	0.19
SMEL	MT					0.60
Sathavahana Ispat	MT	0.21	0.21	0.21	0.21	0.55
Rashmi Metaliks	MT	0.20	0.20	0.20	0.20	0.20
Welspun	MT	0.00	0.00	0.40	0.40	0.40
Total	MT	2.34	2.68	3.12	3.32	4.36

Source: Company website, industry, CRISIL MI&A Research

CRISIL MI&A Research projects domestic capacity utilisation at 83-85% in fiscal 2026, based on capacity expansion announcements. This utilisation rate is the average standard for the DI pipe industry. Capacity is expected to increase to ~4.4 MT in fiscal 2028 from 3.12 MT in fiscal 2023.

9. PI Market Assessment

Pig iron is produced in a BF unit, which chemically reduces and physically converts iron oxides into liquid iron called 'hot metal'. Pig iron is the first product in iron making. It has a very high carbon content (typically 3.5–4.5%), along with silica (1.25-3.25%), manganese, sulphur, phosphorus, titanium, and other trace elements.

Pig iron is used to make steel, foundries, alloys, automotive castings, and other iron-based castings. There are generally two types of pig iron:

1. **Basic pig iron:** used in electric arc furnace (EAF)/ induction furnace (IF) steelmaking

2. **Foundry pig iron:** used to manufacture grey iron castings in cupola furnaces

Pig iron grades

Type	C	Si	Mn	S	P
Basic	3.4 - 4.5	≤1.25	≤1.0	≤0.05	0.08 – 0.15
Foundry	2.8 – 4.2	1.0 – 4.0	0.5 – 1.2	≤0.04	≤0.12

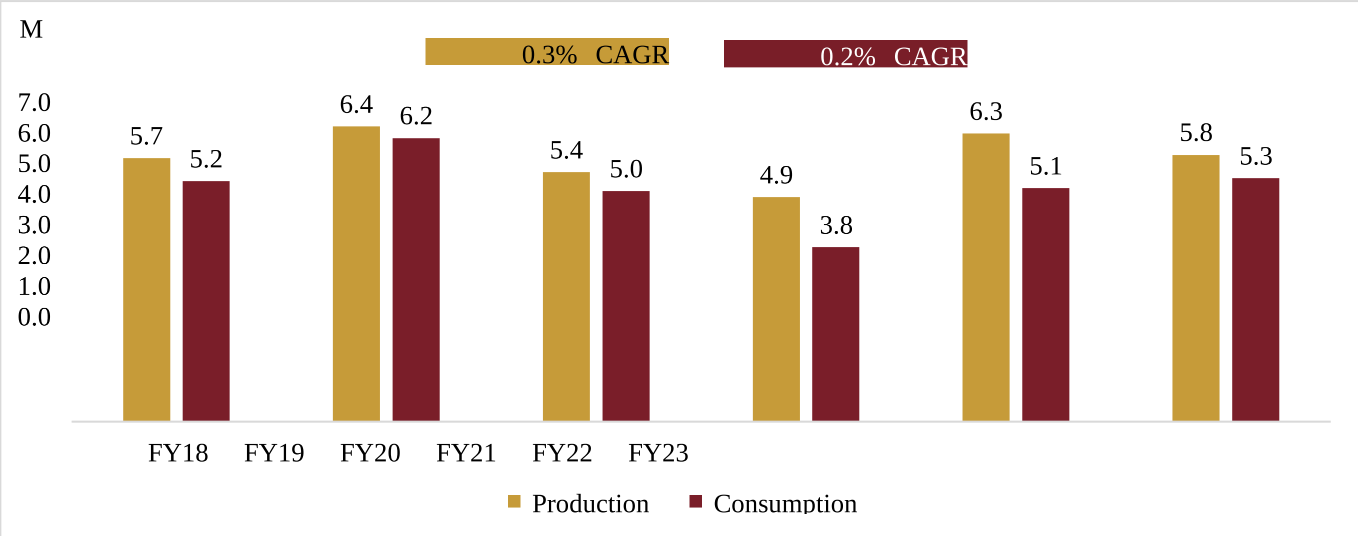
Source: Industry, CRISIL MI&A Research

9.1. Supply and demand review

Pig iron industry clocked 0.2-0.3% CAGR over fiscals 2018-23

The pig iron industry is driven by crude steel production and the castings sector. Domestic pig iron production rose 27% on-year on a low base in fiscal 2022, with double-digit demand growth from the castings and steel industries in the second half of the fiscal. Also, growth in fiscal 2022 was over a low base of the previous fiscal owing to weak demand from the castings sector in the last two quarters of fiscal 2021.

Production and consumption trends



Source: JPC, industry, CRISIL MI&A Research

Last fiscal, pig iron production witnessed negative growth of 7% on-year despite healthy crude steel production due to higher blending of scrap following low prices, resulting in reduced consumption of pig iron. Production of pig iron witnessed negative growth of 4.2% on-year in the first 11 months of fiscal 2023 due to high input costs, forcing long steel players to blend more of substitute products such as scrap and sponge iron, which are of lower prices.

Out of 5.8 MT pig iron produced last fiscal, the basic grade constitutes 72% and foundry pig iron 28%.

Key pig iron suppliers in the country

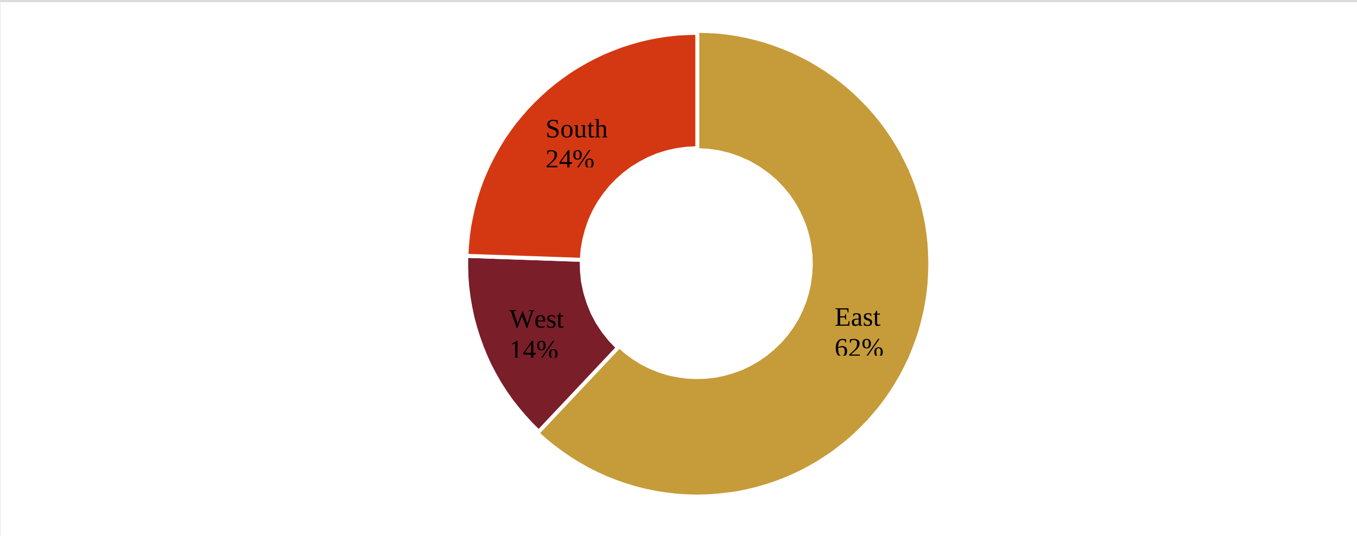
Company name	Capacity (MT)	Steel	Casting	DI pipes
Sesa Industries	0.95	-	-	-
Tata Metaliks	0.6	-	-	□
Neelanchal Ispat	0.9	-	-	-
Electrosteel	1.5	□	-	□
Jai Balaji Industries	0.5	□	-	□
Jayaswal Neco	0.75	□	□	-
Kirloskar Ferrous	0.55	□	□	-
Atibir Industries	3.0	□	-	-
Rashmi Metallics	0.6	□	-	-
Neo Metallics	1.9	-	-	-
SAIL	15.7	□	-	-
RINL	6.5	□	-	-

Source: Company reports, industry, CRISIL MI&A Research

East, followed by south, home to majority of pig iron capacities

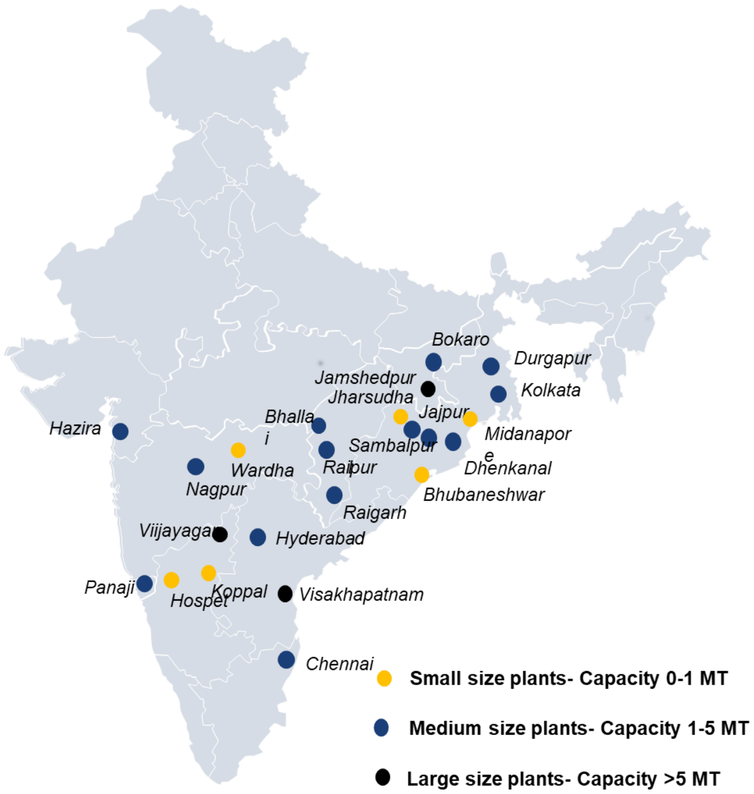
Pig iron consumption is the highest in east India due to proximity of the steel production clusters as well as industrial machinery and sanitary production industry.

Region-wise break-up of pig iron supply (volume) in FY22



Source: JPC, CRISIL MI&A Research

Key manufactures of pig iron



Source: JPC, CRISIL MI&A Research

Pig iron player segmentation

Players	Share in production	Pig iron manufacturer
Integrated	76.7%	SAIL, JSW, JSPL, TSL Group, RINL, AM/NS
Others	23.3%	Sesa Industries, Tata Metaliks, Neelachal Ispat, Jai Balaji Industries, Jayaswal Neco, Kirloskar Ferrous,Neo Metallics, Narsingh Ispat, Shah Sponge andPower, Swati Concast and Power Pvt. Ltd

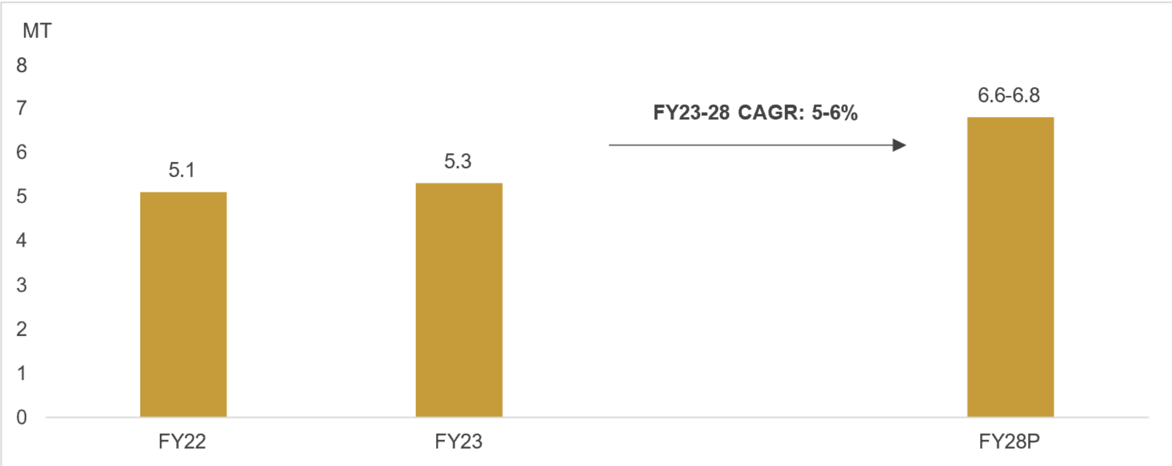
Domestic pig iron demand outlook

Pig iron production is projected to grow 8-10% this fiscal, supported by healthy crude steel production and castings sector. Fall in coking coal costs will support production growth.

Production of basic grade pig iron is expected to pick up marginally at 4.5-5% CAGR between fiscals 2023 and 2028, owing to the blending mix coupled with increasing steel demand. Foundry grade pig iron demand is expected to pick up in the medium term and log 8-8.5% CAGR through fiscal 2028.

Further, there is a lot of focus on capacity expansion via the EAF and IF routes for crude steel rather than expansion via the BF and BOF routes. This is aligned with the Indian government's vision of achieving Net-Zero emissions by 2070. Thereby, pig iron demand from steel-making segment will increase.

Indian pig iron market outlook



Source: Industry, CRISIL MI&A Research

CRISIL MI&A Research projects pig iron production to increase at a CAGR of 5-6% between fiscals 2023 and 2028, supported by healthy crude steel production and the castings sector.

Sharp recovery is expected in ferrous casting, driven by strong demand from the auto (cars, utility vehicles and tractor) segment, which is estimated to have grown 8-10% in fiscal 2022. Also, investments in railways and wind power will aid casting demand from the respective segments.

10. Stainless Steel Market Assessment

Stainless steel is an iron alloy with minimum 10.5% chromium. It is superior to carbon steel, as chromium acts as an alloying agent, imparting corrosion resistance properties. Other alloying elements such as nickel, molybdenum, and nitrogen are added to enhance the structure and properties of stainless steel, including its strength and cryogenic toughness.

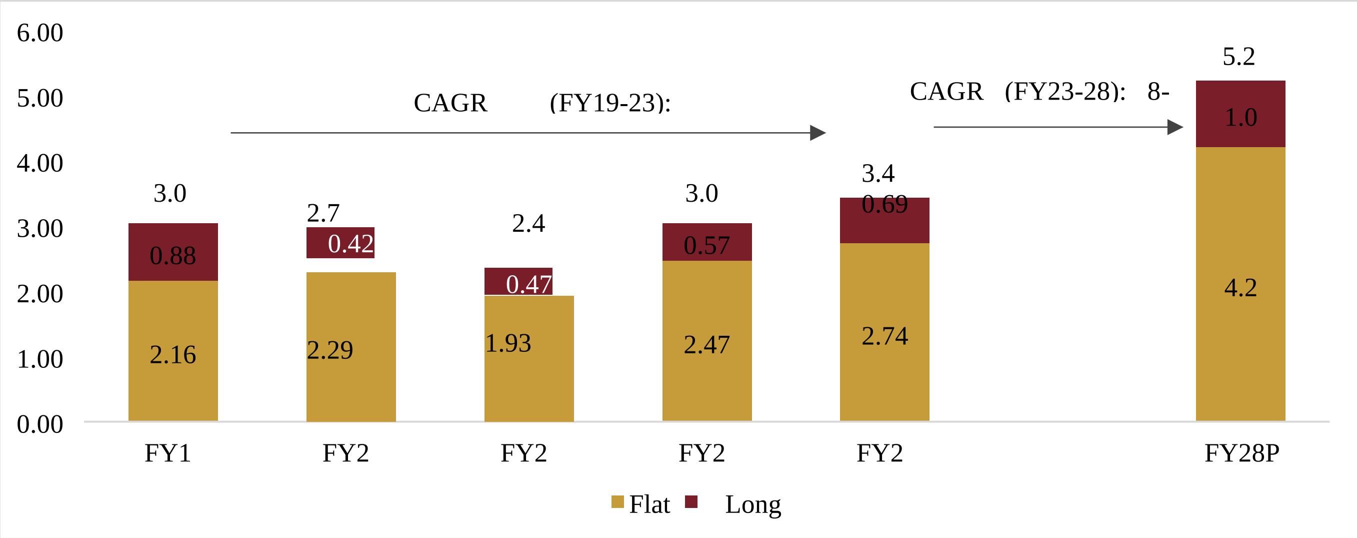
Stainless steel has outpaced metals such as carbon steel, aluminium, and copper, owing to rising demand from various end-segments. This growth has, in turn, benefitted the nickel and chromium markets, which are interlinked with the stainless steel market.

10.1. Demand assessment

The stainless steel industry caters to consumer durables, automotive, railways and transport, (ART) and airport, building and commercial (ABC) sectors. Stainless steel demand in India logged a CAGR of ~2.5% between fiscals 2019 and 2023 to reach 3.4 MT by fiscal 2023. Slowdown in the key consuming sectors during FY20 and FY21 impacted growth in stainless steel demand. That said, stainless steel demand grew at 27% and 13% CAGR during fiscals 2022 and 2023, respectively, on the back of increased consumer spending, coupled with pent-up demand from the construction and infrastructure segments after the pandemic abated.

Going forward, planned investments across infrastructure and expected demand growth from the railways and automobile sectors will support stainless steel demand growth over the next five years.

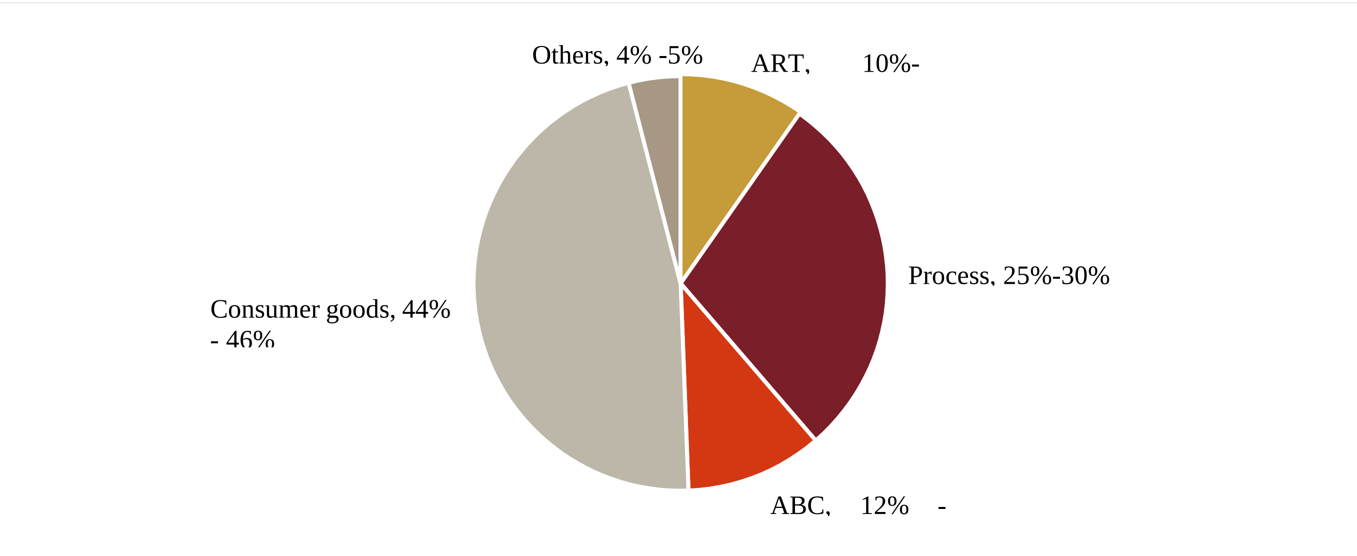
Demand for flat and long (melt) stainless steel products: Review and outlook



P: Projected
Source: JPC, ISSDA, CRISIL MI&A Research

India continues is the second-largest producer and consumer of stainless steel globally. Demand for stainless steel continues to rise in segments such as consumer goods, ABC and ART.

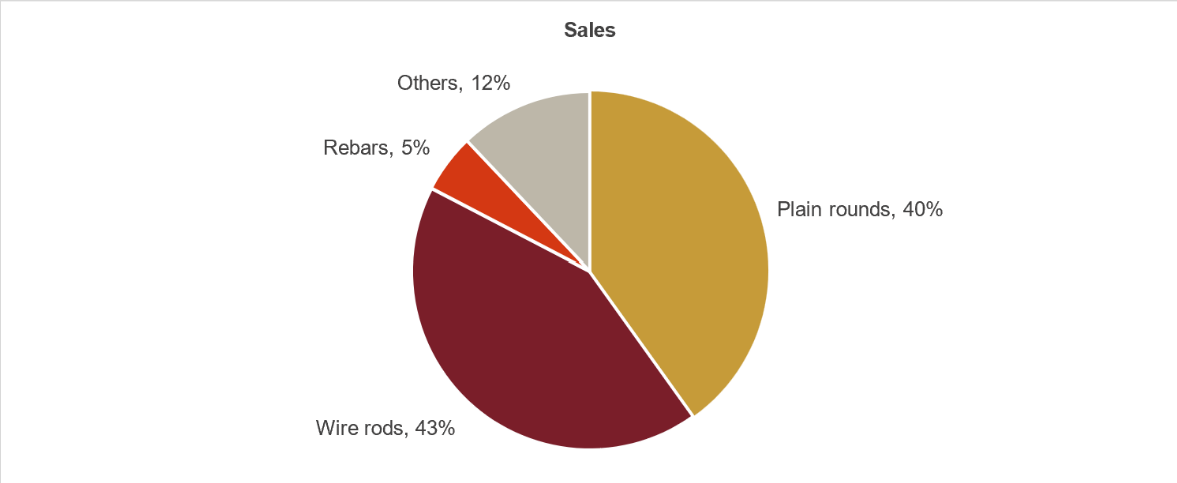
Stainless steel (mill) demand segregation



Consumer goods (including kitchenware) account for ~45% of the total demand for stainless steel (flat and long products) in India, followed by process industries at ~25% share, with both ABC and ART contributing around 10- 12% of the total demand for mill products.

The 200 series and 300 series are used widely in the country, accounting for 80-85% of total stainless steel demand. The 200 series is in high demand owing to the associated low production cost. However, the consumption mix is shifting towards 300S and 400S, which are extensively used worldwide.

Stainless steel long product demand split by product category (fiscal 2023)



Source: JPC, CRISIL MI&A

Out of the total long steel demand, 50% is in the form of rebars and wire rods. While rebars have limited application in the construction industry owing to high cost, wire rods are largely used in manufacturing fasteners and bearings, which are consumed across industries. Around 44 KT of rebars and 352 KT of wire rods were produced in the country.

10.2. Supply assessment

India has an installed capacity of 6.6-6.8 MT of stainless steel with the capability to produce a wide range of products as per national and international standards. The stainless steel industry in India has a unique structure with a healthy mix of large and mid-size corporates, including the public sector, and micro, small and medium enterprises (MSMEs).

Large players producing a wider range of stainless steel long and flat products include Jindal Stainless Group, Viraj Group, SAIL/Salem Steel, Rimjhim Ispat, Shah Alloys, Panchmahal Steel, Sunflag Steel, Valley Iron, Ambica Steels, Synergy Steel, Mukand Ltd, and Laxcon Steels.

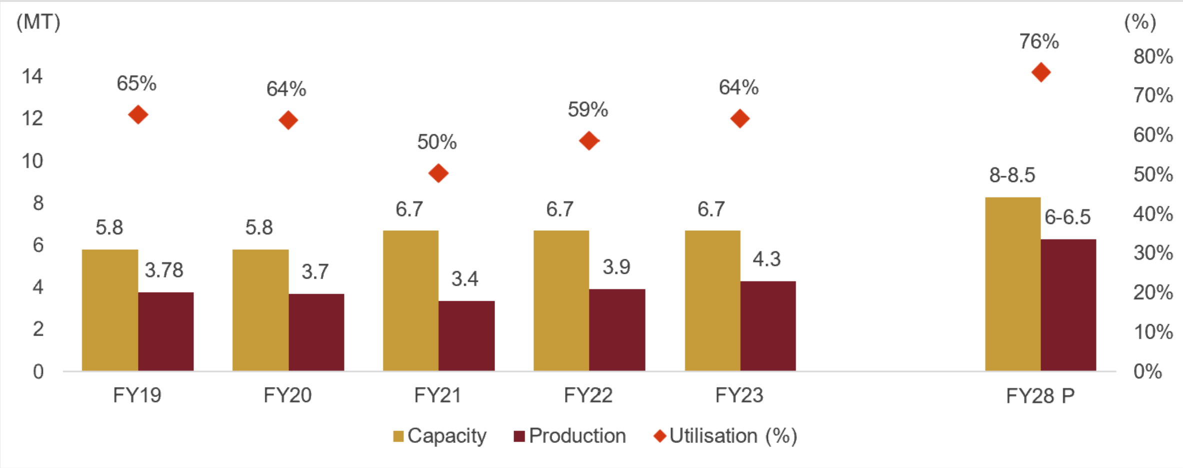
MSMEs are induction furnace units and the so called ‘patta’ segment, which hold around 35% of the market share. Patta is a narrow strip of chromium-manganese stainless steel with less than 1% nickel. This segment is mainly focused on kitchenware and is highly fragmented, comprising small-scale players, generally located in the northern and western regions.

The MSME sector, comprising 500 rolling mills spread across the country, has a capacity of about 1.25-1.5 MT for melting and hot/cold rolling steel, which is the input for utensils and other household applications. The sector employs more than four lakh direct/indirect workforce. The estimated investment in MSMEs is about Rs 5,000 crore, with additional Rs 5,000 crore in working capital.

There are a large number of manufacturing units in both flat and long steel segments across the country, with competitive market conditions.

The Indian stainless steel industry is fully globalised with major raw materials being imported, large imports and exports, and end-product prices being driven by both raw material prices and international prices of stainless steel.

In the medium term, i.e. up to fiscal 2025, a further 1.0-1.1 MT of capacity is expected to be commissioned by Jindal Stainless, which will support production levels to meet rising flat steel demand. Other players are also planning to increase capacities in the medium term. Also, long stainless steel capacities might need to be added for meeting rising domestic long stainless steel demand and maintaining export volume.



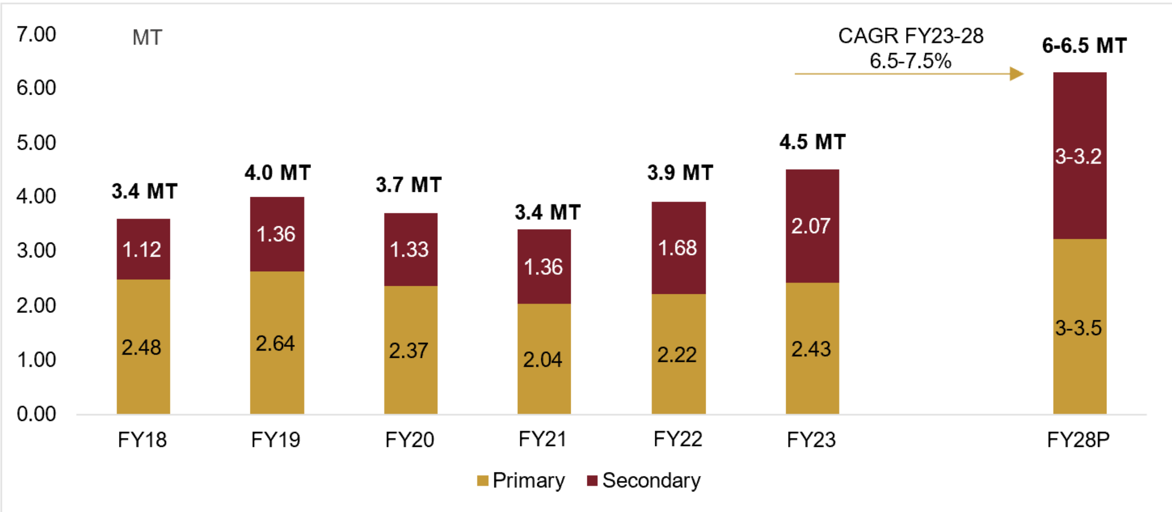
P: Projected
Source: JPC, ISSDA, CRISIL MI&A

11. Market assessment for Aluminium

11.1. Demand assessment

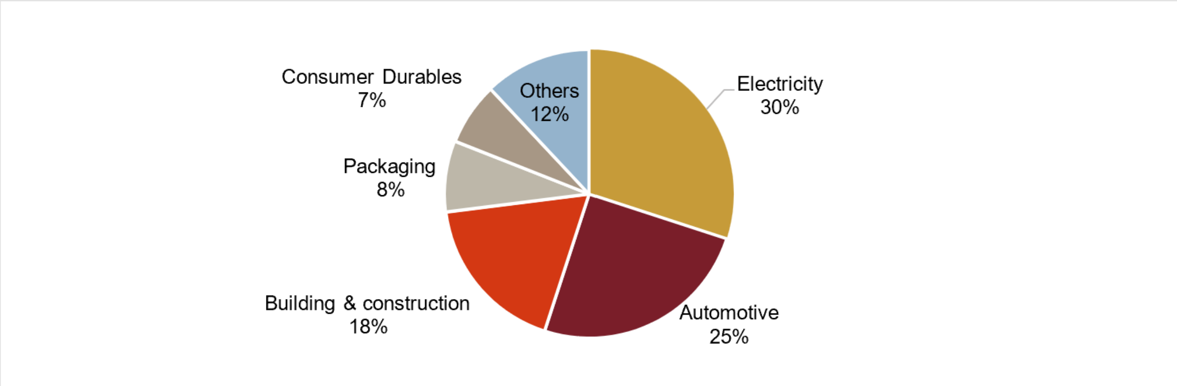
Ever since China placed higher restrictions on scrap imports in 2017, the excess from the global markets has found its way into India, leading to the share of secondary aluminium reaching 36% in fiscal 2020 from 30–32% in fiscal 2018. Further, over the last two fiscal years, the share of secondary aluminium is estimated to increase to 44–46% in fiscal 2023, mainly driven by an accelerated rally in primary aluminium prices that prompted the auto industry and SME players to opt for relatively cheaper secondary aluminium.

Overall aluminium demand to be driven by power, construction and automobile segments over long term.



P : Projected
Source: CRISIL MI&A research

Overall aluminium demand mix (FY 23)



Source: CRISIL MI&A research

Overall aluminium demand, which is estimated to have grown by 15–16% in fiscal 2023, is expected to grow by another 6-8% in fiscal 2024 due to healthy automobile production along with strong construction activities. The share of secondary aluminium is estimated to increase further to 45–47% owing to increasing demand for secondary aluminium from automobiles, construction, and packaging.

Over the medium term, overall aluminium demand is expected to post a healthy CAGR of 6.5-7.5% until fiscal 2028, driven by the gradually rising penetration of electric vehicles, rising usage of aluminium in construction activities, renewable energy capacity additions driven by solar power plants, and a healthy production of power cables and conductors. Going forward, the share of secondary aluminium is expected to grow to 48–50% by fiscal 2028 owing to better scrap collection in the domestic market and an increase in the quality of scrap in the domestic market.

11.2. Supply assessment

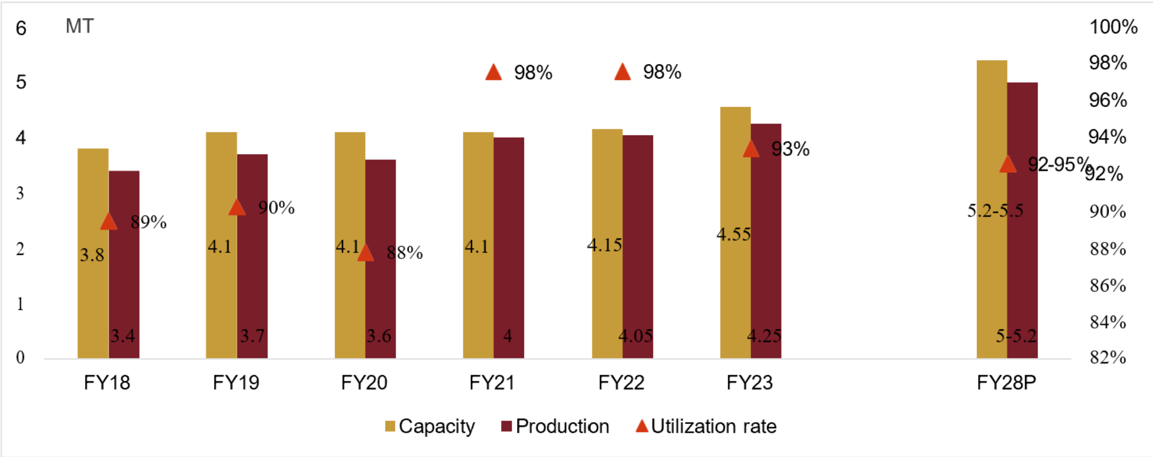
Domestic utilisation rate, which hovered between 86% and 89% over fiscals 2018-2021, increased to 97% in fiscal 2022 due to quick production ramp-up at Vedanta and further estimated to remain at 97-99% in fiscal 2023. Primary aluminium production is expected to increase by 1-1.5% reaching 4.0-4.1 MT current fiscal.

Domestic capacity is expected to reach ~5.1 MT in fiscal 2028, led by expansions by Nalco, Balco and Hindalco. Nalco is expected to add brownfield capacity of 0.5 MT at its Angul facility and another 0.1 MT by debottlenecking its existing facility by fiscal 2027. The company has also announced another greenfield smelter of 0.5 MT, the timeline for which has not been provided. Any development on this front will be a key monitorable. Balco will add 0.4 MT per annum (MTPA) capacity to reach 1 MTPA by fiscal 2024 as majority of construction work is already completed. Hindalco is expected to add brownfield capacity of 180 KTPA at Aditya or Mahan smelters basis the success of its 100 MW round the clock renewable energy project at Aditya smelter.

Vedanta is expected to increase alumina capacity at Langigarh from current 2 MTPA to 5 MTPA by fiscals 2024. Hindalco is expected to increase alumina capacity by 0.35 MTPA via debottlenecking at Utkal by fiscal 2024. The company is also expected to add greenfield capacity of 0.85 MTPA in Odisha by fiscal 2027on the basisof bauxite mine auctions. Nalco is also expected to enhance the alumina capacity to 1 MTPA along with opening of new bauxite mines by fiscal 2027.

Further, Shyam Metalics is one of the largest manufacturers in aluminium foils with an installed capacity of 43,600 tonnes.

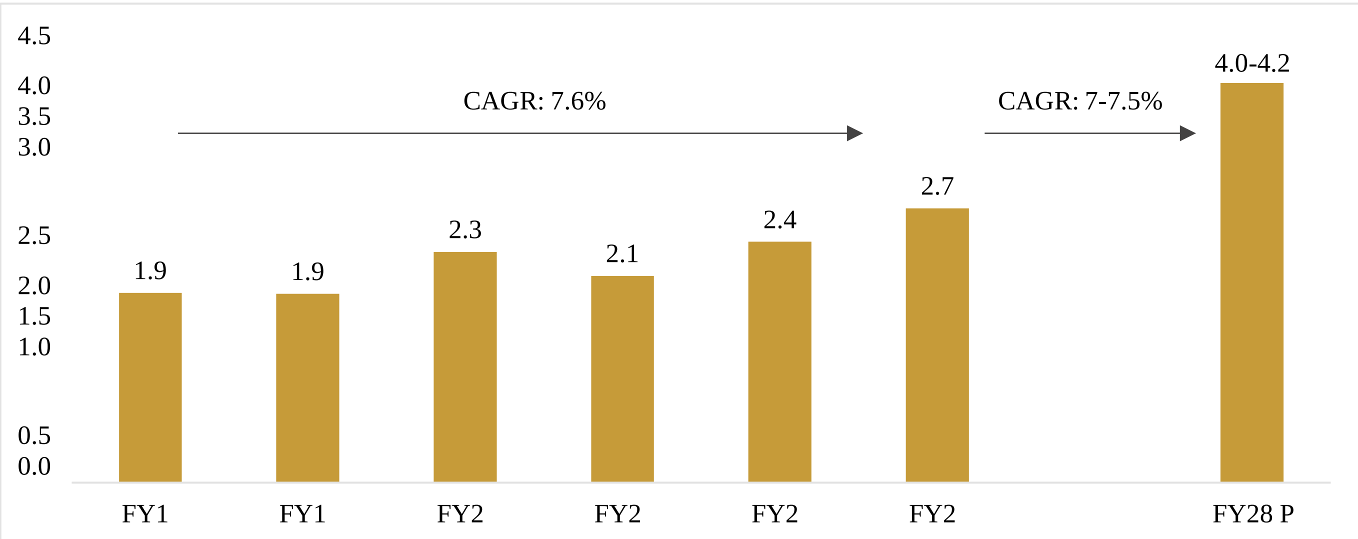
Utilisation rates of Indian manufacturers



P: Projected
Source: CRISIL MI&A research, Ministry of Mines

12. Market assessment of colour-coated coils and sheets

Demand review and outlook of coloured roofing sheets (in MTPA)

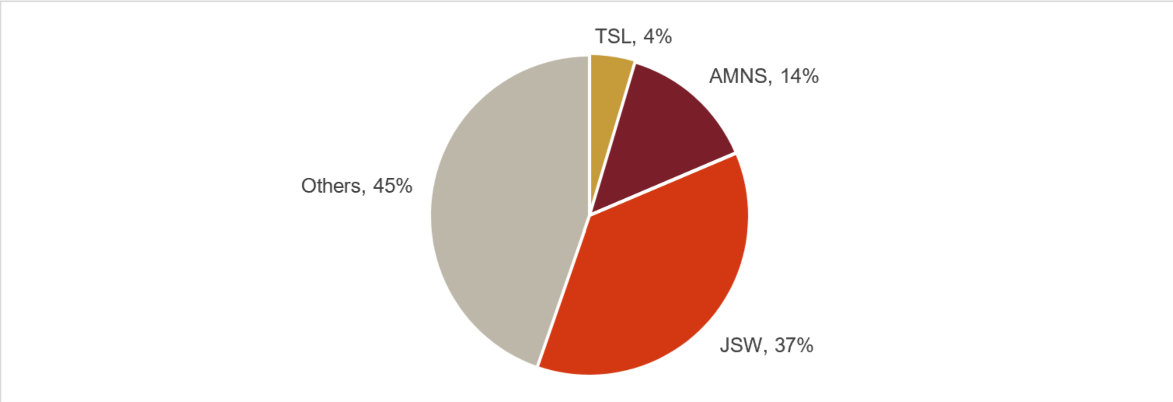


P: Projected
Source: JPC and CRISIL

Demand for coloured roofing sheets in India grew at a CAGR of 7.6% between fiscals 2018 and 2023. Demand fell by over 10% on-year in fiscal 2021 owing to pandemic-led disruptions. However, it rebounded by over 16% from 2.1 MT in fiscal 2021 to 2.4 MT in fiscal 2022 on improved sentiment, as more and more people started constructing houses and commercial properties, led by increased disposable income after the pandemic abated.

Demand for coloured roofing sheets is expected to grow at a 7-7.5% CAGR to 4.0-4.2 MT in fiscal 2028, as more consumers start installing these sheets instead of conventional GC sheets owing to increased product awareness. This is likely to enable coloured roofing sheets to eat into the domestic share of conventional GC sheets.

Player-wise market share (coloured roofing sheets) – All India



JSWL: JSW Ltd; AM/NS: ArcelorMittal and Nippon Steel; TSL: Tata Steel Ltd
Source: JPC and CRISIL

Among major steel players, JSWL was the largest player in the coloured roofing sheets segment (based on production) in fiscal 2023, followed by AM/NS and TSL.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 43, 287 and 91, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Shyam Metalics and Energy Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Shyam Metalics and Energy Limited and its Subsidiaries and Associates on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Market Assessment and outlook across Steel Industry value chain" dated August 2023 (the "**CRISIL Report**") prepared and released by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited.*

Overview

We are a leading integrated steel and ferro alloys producer, in terms of long steel products, in the eastern region of India (*Source: CRISIL Report*). We are amongst the largest producers of ferro alloys in terms of installed capacity in India, as of February 2023 (*Source: CRISIL Report*). We have the ability to sell intermediate and final products across the steel value chain. We are one of the leading players in terms of pellets as of Fiscal 2023 and we are the fourth largest player in the sponge iron industry in terms of sponge iron capacity in India for Fiscal 2023 (*Source: CRISIL Report*). We are also one of the largest manufacturers of aluminium foils with an installed capacity of 43,600 tonnes (*Source: CRISIL Report*). We have a consistent track record of delivering operating profitability, and since the commencement of our operations in Fiscal 2005, we have delivered a positive EBITDA in each of the Fiscals.

We currently operate three steel manufacturing plants located at Sambalpur in Odisha, and Jamuria and Mangalpur in West Bengal. We also operate two aluminium foil manufacturing plants that are located at Pakuria in West Bengal and Giridih in Jharkhand. We also have two stainless steel plants located at Pithampur in Madhya Pradesh. As of November 30, 2023, our aggregate installed metal capacity was 13.51 million tonne per annum ("**MTPA**") (comprising intermediate and final products). Our manufacturing plants also include captive power plants with an aggregate installed capacity of 357 MW, as of November 30, 2023.

We are also in the process of (i) increasing the capacities of our existing manufacturing plants; (ii) commissioning new manufacturing plants, which are proposed to be situated at Kharagpur and Durgapur in West Bengal and (iii) increase the capacities of our captive power plants, which is expected to increase our aggregate installed metal capacity (comprising intermediate and final products) from 13.51 MTPA, as of November 30, 2023 to 20.92 MTPA and captive power plants aggregate installed capacity from 357 MW, as of November 30, 2023, to 597 MW. These proposed expansions are expected to become operational between Fiscal 2024 and Fiscal 2026.

Our Sambalpur and Jamuria plants operate as 'ore to metal' integrated steel manufacturing plants and comprise captive railway sidings, captive power plants, iron pellet, sponge iron, billet, thermo mechanically treated ("**TMT**"), wire rod and structural mills, and ferro alloy plants. Our integrated manufacturing plants are fungible by design, which provides us with the ability to quickly adapt to continuously evolving market conditions, change our production and product offerings and optimise our operating margins thereby insulating us from price volatility. Further, our Mangalpur plant comprises sponge iron and ferro alloy plants, and a captive power plant. Our aluminium foil manufacturing plants have a 40 to 5 micron rolling range with annealing capability, customisable as per demand, where we majorly produce 6-10 micron rolled material. With our acquisition of Shree Venkateshwara Electrocast Private Limited, we are able to produce wide range of products in the pharmaceutical space, house foil space, SRC containers space and other items in packaging industry. With our recent acquisition of Mittal Corp Limited which included two Stainless Steel manufacturing units at Pithampur, Madhya Pradesh, we have ventured into wide range of products in the stainless steel sector like Billets, SS Bar, Wire rods etc.

We have ten captive power plants that utilise non-fossil fuels, such as, waste, rejects, heat and gas, generated from our operations to produce electricity, and thereby enable us to operate at lower power costs. In Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023, power units produced from our captive power plants accounted for 78.68%, 78.47%, 73.00% and 79.63%, respectively, of our total power units consumed. We believe that the proposed expansion plans of our captive power plants will help us to meet our increased requirement of power and enable us to become more self-sufficient.

We primarily produce intermediate and long steel products, such as, iron pellets, sponge iron, steel billets, TMT, structural products, wire rods, and ferro alloys products with a specific focus on high margin products, such as, customised billets and specialised ferro alloys for special steel applications. Our TMT and structural products are sold under the brand '*SEL*' and logo . We also undertake conversion of hot rolled coils to pipes, chrome ore to ferro chrome and manganese ore to silico manganese for an Indian steel conglomerate. We also manufacture aluminium foils with rolling range of 40 to 5 micron. We are also currently in the process of further diversifying our product portfolio by entering into the segments, such as, pig iron, ductile iron pipes, cold rolling mill, parallel flange beam, colour coated sheets, hot flats products, battery foils and steel wire drawings.

Our Sambalpur manufacturing plant caters to customers in the southern and western regions of India whereas our Jamuria and Mangalpur manufacturing plants caters to customers in northern and eastern regions of India. Further, our two aluminium manufacturing plants located in Pakuria, West Bengal and Giridih, Jharkhand cater to our domestic customers located pan-India as well as our international customers located in Europe, USA and Bangladesh. We also supply stainless steel across the country.

Our product offerings cater to a mix of customers that consist of institutional customers and end-use consumers through our wide distribution network. As of November 30, 2023, we had partnerships with 1,837 dealers and distributors, who stock and sell our finished products across 28 states and two union territories.

Our steel manufacturing plants are strategically located in close proximity to the mineral belt in eastern India, including, iron ore, iron ore fines, manganese ore, chrome ore and coal mines, our primary raw material sources and ports, which we believe lowers our transportation costs and provides significant logistics management and cost benefits. Our manufacturing plants are well connected by roads, railways and ports. Our Sambalpur and Jamuria manufacturing plants have captive railways sidings which enable us to transport the raw materials and products in a cost and time effective manner. We are one of the few integrated metal producing companies in India with captive railway sidings (*Source: CRISIL Report*). We follow stringent quality standards and place a strong emphasis on quality for our products. Our Sambalpur, Jamuria and Giridih manufacturing plants have obtained the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 quality certifications. In addition, our Giridih manufacturing plant has also obtained ISO 22000:2018 quality certification. Unit II of our manufacturing plant in Pithampur has also obtained ISO 9001:2008 and ISO 14001:2004 quality certifications. We have also achieved cost efficiencies by utilising waste materials or by-products as raw material inputs for other products and processes.

We have better financial strength as compared to other companies operating in the long and intermediary steel sector (*Source: CRISIL Report*). Our revenue from operations increased at a CAGR of 41.51% from ₹ 6,297.07 crore in Fiscal 2021 to ₹ 12,610.18 crore in Fiscal 2023 and was ₹ 6,273.73 crore in the six months ended September 30, 2023, on a consolidated basis. Our EBITDA amounted to ₹ 1,394.06 crore, ₹ 2,599.88 crore and ₹ 1,486.03 crore in Fiscals 2021, 2022 and 2023, respectively and ₹ 721.03 crore in the six months ended September 30, 2023, on a consolidated basis. Further, according to the CRISIL Report, our Company has one of the highest interest coverage ratio among its peers on back of low debt. As of March 31, 2021, 2022 and 2023 and as of September 30, 2023, our Gross Debt to Equity ratio was 0.24, 0.10, 0.18 and 0.29, respectively, on a consolidated basis. Our RoCE for Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2023 was 27.37%, 36.98%, 12.43% and 17.10%, respectively. Our fixed asset turnover ratio for the Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2023 was 3.38, 5.02, 4.80 and 3.54 respectively.

We are led by our individual Promoters, Mahabir Prasad Agarwal, Brij Bhushan Agarwal and Sanjay Kumar Agarwal, who have several decades, respectively, of experience in the steel and ferro alloys industry and have been instrumental in the growth of our Company. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the metal industry. As of November 30, 2023, we had a workforce of 14,985 personnel which comprised 9,026 permanent employees and 5,959 contract employees for our operations.

Competitive Strengths

Diversified product mix with shift towards margin accreditive products, association with reputed customers and robust distribution network

Our products primarily comprise (i) long steel products, which range from intermediate products, such as, iron pellets, sponge iron and billets and final products, such as, TMT, customised billets, structural products and wire rods; (ii) ferro alloys with a specific focus on high margin products, such as, specialised ferro alloys for special steel applications; (iii) aluminium foils with range of 40-6 microns which are primarily used in the pharmaceutical industry and packaging industry; and (iv) stainless steel. Our TMT and structural products are sold under the brand '*SEL*' and logo . We also undertake conversion of hot rolled coils to pipes, chrome ore to ferro chrome and manganese ore to silico manganese for an Indian steel conglomerate. The forward and backward integration of our manufacturing plants has resulted in multiple points of sale across the steel value chain and provided us with flexibility to sell intermediate products as well as use them for captive consumption, depending on the demand. This has resulted in a diversified product mix, which we believe has reduced our dependency on a particular product and de-risked our revenue streams. The following table provides certain information in relation to the revenue obtained from our products for the periods indicated:

Product	Fiscal 2021		Fiscal 2022		Fiscal 2023		Six months ended September 30, 2023	
	Revenue from sale	As a % of total revenue from sale of manufactured products	Revenue from sale	As a % of total revenue from sale of manufactured products	Revenue from sale	As a % of total revenue from sale of manufactured products	Revenue from sale	As a % of total revenue from sale of manufactured products
	(in ₹ crore)	(%)	(in ₹ crore)	(%)	(in ₹ crore)	(%)	(in ₹ crore)	(%)
Ferro alloys	957.37	15.60%	1,775.53	17.53%	1,820.88	14.91%	881.43	14.37%
TMT, structural products, wire rods and pipes	2,249.62	36.66%	3,919.24	38.69%	5,987.43	49.02%	2,989.19	48.75%
Steel billets	744.06	12.12%	779.75	7.70%	988.96	8.10%	365.89	5.97%
Sponge iron	682.64	11.12%	1,763.29	17.41%	1,911.30	15.65%	935.69	15.26%
Iron pellets	1,503.87	24.50%	1,859.88	18.36%	1,045.78	8.56%	509.32	8.31%
Aluminium foil	-	-	31.41	0.31%	416.35	3.41%	246.07	4.01%
Stainless Steel	-	-	-	-	43.05	0.35%	204.51	3.34%
Total	**6,137.56**	**100.00%**	**10,129.08**	**100.00%**	**12,213.77**	**100.00%**	**3,251.41**	**100.00%**

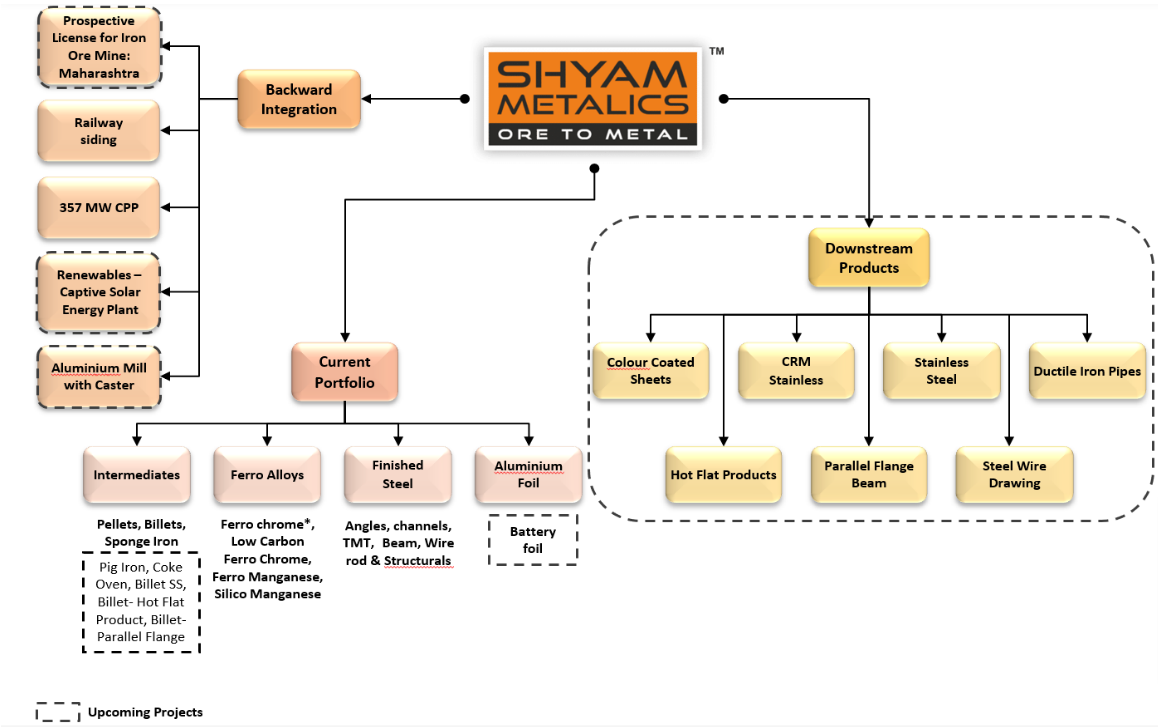
Our finished steel products which comprises TMT, structural products, wire rods and pipes, steel billets and sponge iron contributed 59.90%, 63.80%, 72.77% and 69.98% to our total revenue for sale of manufactured products for the Fiscals 2021, 2022 and 2023 and the six month period ended September 30, 2023.

We sell our products to institutional customers and end consumers through our distribution network. We also customise and sell our products as per the customer's specifications to our marquee range of domestic and international customers. Our Sambalpur manufacturing plant caters to customers in the southern and western regions of India whereas our Jamuria and Mangalpur manufacturing plants caters to customers in northern and eastern regions of India. As of November 30, 2023, we had partnerships with 1,837 dealers and distributors, who stock and sell our finished products across 28 states and two union territories. In addition, we sell our intermediate products through brokers.

Integrated operations across the steel value chain

We are a leading integrated steel and ferro alloys producer, in terms of long steel products, in the eastern region of India (*Source: CRISIL Report*). We are amongst the largest producers of ferro alloys in terms of installed capacity in India, as of February 2023 (*Source: CRISIL Report*). We currently operate two 'ore to metal' integrated steel manufacturing plants one each in Sambalpur, Odisha and Jamuria, West Bengal. The integrated nature (backward and forward integration) of our manufacturing plants has resulted in the control over all aspects of our operations (with the exception of sourcing of primary raw materials) as well as operating margins, thereby enabling us to focus more on quality and create multiple points of sale across the steel value chain.

The backward integration activities, include, setting up of iron pellet plants and installation of rotary kilns to produce sponge iron. We utilise the sponge iron produced to further manufacture billets, which are not required to be reheated and are directly utilised by our rolling mills to produce TMT bars and wire rods, thereby resulting in cost efficiencies. Whereas, the forward integration activities, include, diversification of our product mix by utilising the billets to produce value added products, such as, TMT bars, structural products and wire rods, which enable us to de-risk our revenue streams and expand our product offerings. Our forward and backward integration activities are generally undertaken by our in-house engineering team who conceptualise and execute such activities in a timely manner with the help of various construction equipment owned by us. The following is a flowchart of our integrated operations.

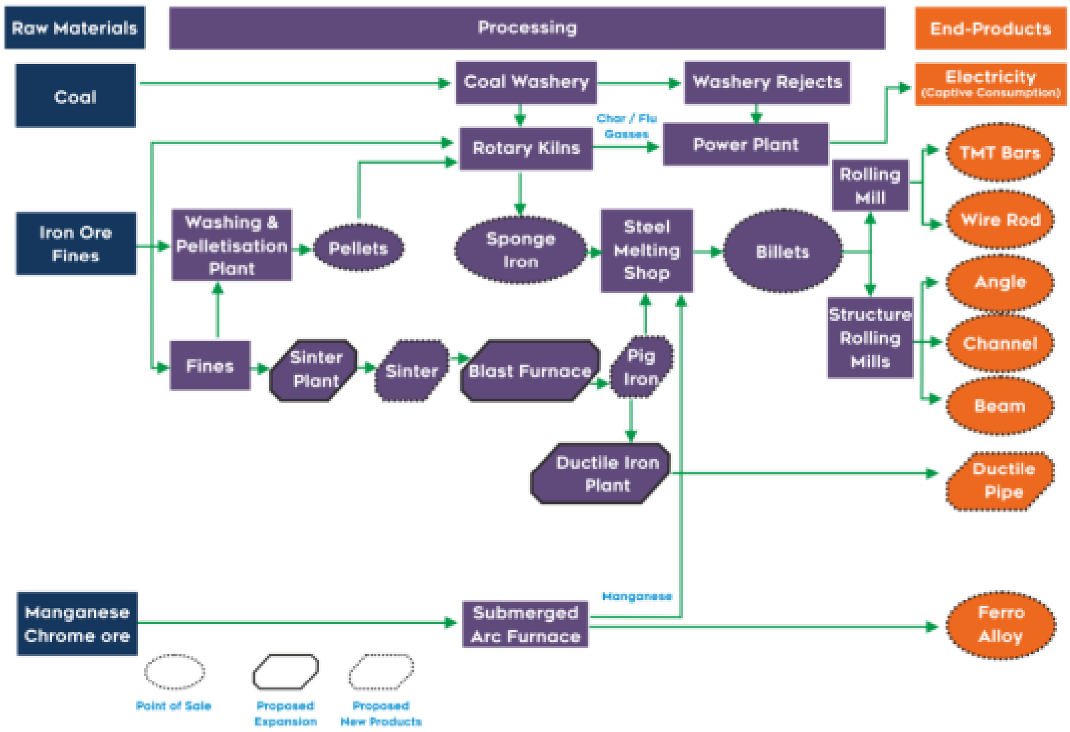


We have undertaken various measures to expand and integrate our steel manufacturing plants. For instance, we commenced operations at our Sambalpur manufacturing plant with a sponge iron plant of 115,500 TPA in 2006. Subsequently, in order to produce TMT bars, we forward integrated the sponge iron plant with a billet plant and rolling mill of 219,000 TPA and 60,000 TPA, respectively, in 2007, and 60,000 TPA structural mill in 2010. In addition, we backward integrated our Sambalpur manufacturing plant by setting up an iron pellet plant in 2013. Further, our acquisition of Ramsarup Industries Limited in 2022, has synergised our existing steel business with the horizontal integration of steel manufacturing facilities and enhances significant efficiencies and increase in our production capacity. We also added two stainless steel plants located at Pithampur in Madhya Pradesh with an aggregate capacity of Billet by 120,000 TPA and Wire Rod and rebar by 150,000 TPA.

We also added a low carbon ferro chrome plant of 14,000 MVA in 2022 and a pellet plant of 12,00,000 TPA in 2023 to keep in line with our integration strategy. We believe our continuous backward and forward integration activities and capacity expansions have enabled us to have a better negotiating capacity with our existing suppliers and lowered the cost of our expansions.

In addition, we believe that integration of our operations has provided us with the flexibility to alter our product mix to cater to the continuously evolving market conditions, insulated us from price volatility and optimised our operating margins. For instance, we have the ability to convert the iron pellets we manufacture into sponge iron or sell the iron pellets or sponge iron independently in the market. Sponge iron can either be used to manufacture billets, which can thereafter be processed to manufacture TMT bars, structural products and wire rod, or can be sold independently in the market.

The integrated nature of our operations enables us to maintain greater control over our operating margins. The following flowchart highlights the integrated nature of our steel operations:



Strategically located manufacturing plants supported by robust infrastructure and low cost captive power generation resulting in cost and time efficiencies

Our steel manufacturing plants are strategically located in close proximity to our raw material sources, which we believe lowers our transportation costs and provides significant logistics management and cost benefits thereby improving our operating margins. Our steel manufacturing plants are located within 250 kilometres of the mineral belt in eastern India, including, iron ore, iron ore fines, manganese ore, chrome ore and coal mines, our primary raw materials.

We believe the strategic location of our manufacturing plants has helped us in creating synergies as well as achieving economies of scale and operational efficiencies. We source our primary raw materials in the following manner:

Raw Material	Source
Iron ore / Iron ore fines	Mine owners located in Odisha
Chrome ore	Long term linkages with Odisha Mining Corporation Limited, other mine owners and imports
Manganese ore	MOIL Limited, other mine owners and imports
Coal	Fuel supply agreements entered into with Mahanadi Coalfields Limited, Central Coalfields Limited and South Eastern Coalfields Limited, and imports
Aluminium Foil Stock	Agreements with domestic suppliers and imports

Further, our manufacturing plants are well connected by roads, railways and ports. Our Odisha and West Bengal manufacturing plants are in proximity to NH 16 and NH 19, respectively. Our Pithampur manufacturing plant are in proximity to NH 3, other state highways and Rail Linkages. Our manufacturing plants are located close to our raw material sources and are supported by strong logistics infrastructure, such as private railway siding, which we believe enables us to reduce the logistical costs associated with the transportation of raw materials and products.

In particular, our Sambalpur and Jamuria manufacturing plants have captive railways sidings. We are one of the few integrated metal producing companies in India with captive railway sidings (*Source: CRISIL Report*). Transportation by rail has resulted in reduction of freight costs and turnaround time of transportation of raw materials to our manufacturing plants and products to our customers. The ports nearest to our Odisha manufacturing plant are Dhamra and Paradip, which are situated within a radius of 300 kilometres while Visakhapatnam port is situated within a radius of 600 kilometres from our Odisha manufacturing plant. The ports nearest to our West Bengal manufacturing plants are Kolkata and Haldia, which are situated within a radius of 300 kilometres from our West Bengal manufacturing plants. We believe that the strategic location of our manufacturing plants has enabled us to export our products to our international customers in a cost efficient manner.

We have also achieved cost efficiencies by utilising waste materials or by-products as raw material inputs for other products and processes. For instance, waste from our coal washery is utilised by our integrated manufacturing plants to produce power. To control our cost of power, we utilise pollution dust, char/ flu gases, waste heat and solid wastes (dolochar) from our sponge iron plants and washery rejects as raw materials for our captive power plants. In Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, the Average cost of Power from Captive Power Plants was ₹ 2.15 per kwh, ₹ 2.12 per kwh, ₹ 3.60 per kwh and ₹ 2.31 per kwh, respectively, which we believe is relatively lesser than the power procured by us from external sources. While average grid power is estimated to cost Rs 6.0-8.0 per unit at an all India basis, the company's power and fuel cost was significantly lower at Rs 3.6 per unit as of fiscal 2023 (*Source: CRISIL Report*). Further, in Fiscals 2021, 2022, 2023 and the six months ended September 30, 2023, we derived 78.68%, 78.47%, 73.00% and 79.63%, respectively of our total power requirements from our captive power plants. In addition, we believe our relatively high capacity utilization has led to lower fixed cost per tonne resulting in an increase in our profitability.

Strong financial performance and credit ratings with positive EBITDA since incorporation

We believe our focus on continuous efficiency improvements, improved productivity and cost rationalization has enabled us to deliver consistent and strong financial and operational performance. We have better financial strength as compared to other companies operating in the long and intermediary steel sector (*Source: CRISIL Report*). Our revenue from operations increased at a CAGR of 41.51% from ₹ 6,297.07 crore in Fiscal 2021 to ₹ 12,610.18 crore in Fiscal 2023 and was ₹ 6,273.73 crore in the six months ended September 30, 2023, on a consolidated basis. Our EBITDA amounted to ₹ 1,394.06 crore, ₹ 2,599.88 crore and ₹ 1,486.03 crore in Fiscals 2021, 2022 and 2023, respectively and ₹ 721.03 crore in the six months ended September 30, 2023, on a consolidated basis. Further, according to the CRISIL Report, our Company has one of the highest interest coverage ratio among its peers on back of low debt. As of March 31, 2021, 2022 and 2023 and as of September 30, 2023, our Gross Debt to Equity ratio was 0.24, 0.10, 0.18 and 0.29, respectively, on a consolidated basis. Our RoCE for Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2023 was 27.37%, 36.98%, 12.43% and 17.10%, respectively. Our fixed asset turnover ratio for the Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2023 was 3.38, 5.02, 4.80 and 3.54 respectively.

Shyam Metalics has consistently outperformed its peers (set II) in terms of profitability, largely on account of backward (such as pellets) and forward integrated operations. Moreover, better operating performance is also attributed to a well-diversified presence of the company and de-risk itself from a downfall in any particular segment within the value chain. Majority of the power costs is being met through captive sources, which results in low power costs and thereby improving operating performance vis-à-vis its peers. Shyam Metalics also enjoys low freight costs following captive railway siding. (*Source : CRISIL Report*)

We have also obtained strong credit ratings. We have received CRISIL AA Stable for our long term bank Facilities and CRISIL A1+ stable rating from CRISIL for our short-term bank facilities, on a consolidated basis.

Experienced Promoters, Board and senior management team

We are led by our individual Promoters, Mahabir Prasad Agarwal, Brij Bhushan Agarwal and Sanjay Kumar Agarwal, who have several decades, respectively, of experience in the steel and ferro alloys industry, and have been instrumental in the growth of our Company. We also have an experienced Board of Directors who have extensive knowledge and understanding of the metal industry and have the expertise and vision to scale up our business. Our Chairman, Mahabir Prasad Agarwal, is responsible for strategic planning and overall administration of our Company. Our Vice Chairman and Managing Director, Brij Bhushan Agarwal, is responsible for implementing our future growth strategies. Our Joint Managing Director, Sanjay Kumar Agarwal, is responsible for the entire production process at our manufacturing plants. Our whole-time Director Deepak Agarwal is responsible for the finance functions, while Dev Kumar Tiwari is responsible for the Sambalpur manufacturing plant and Sumit Chakraborty is responsible for the Jamuria and Mangalpur manufacturing plants. For further, details, please see the section "*Board of Directors and Senior Management*" on page 217.

Our diversified Board of Directors is supplemented by a strong senior management team with significant experience in the metal industry and some of them have been associated with our Company since its commencement of operations. Our Board and senior management team are also supported by 14,985 personnel which includes 9,026 permanent employees and 5,959 contract employees, as of November 30, 2023. We believe our manufacturing plants operate in areas with highly skilled and low cost labour, which helps us to keep our operating costs low.

Our Strategies

The primary elements of our business strategies are as follows:

Continue to increase our existing manufacturing capacities and undertake capacity expansion through inorganic route

We intend to strengthen our leading market position in India and achieve better economies of scale by expanding our existing manufacturing capacities and setting up additional manufacturing plants. We have, over the years, consistently grown our manufacturing capabilities. We have recently undertaken various expansions of our manufacturing plants. For instance, at our Sambalpur manufacturing plant, we installed (i) one iron ore pellet plant of 12,00,000 TPA, one sponge iron plant of 1,98,000 TPA, billet plant of 4,61,200 TPA, Rolling Mill, Wire rod mill and wire drawing mill of 5,10,000 TPA and Low carbon ferro chrome of 14,000 TPA in Fiscal 2023, (ii) one iron ore pellet plant of 6,00,000 TPA, sponge iron plant of 1,65,000 TPA, and a captive power plant of 40MW in Fiscal 2022, (iii) two iron pellet plants of 3,00,000 TPA and 6,00,000 TPA, sponge iron plant of 1,65,000 TPA, TMT plant of 60,000 TPA, wire rod plant of 200,000 TPA and a captive power plant of 33 MW in Fiscal 2020 and (iv) a billet plant of 63,360 TPA in Fiscal 2019. Further, at our Jamuria manufacturing plant, we installed (i) one iron ore pellet plant of 12,00,000 TPA, sponge iron plant of 2,31,000 TPA, one billet plant of 3,09,480 TPA, one rolling mill of 3,00,000 TPA and a captive power plant of 90 MW in Fiscal 2024, (ii) billet plant of 2,91,360 TPA, rolling mill and wire drawing mill of 2,60,000 TPA in Fiscal 2023, (iii) one iron ore pellet plant of 6,00,000 TPA, sponge iron plant of 5,51,000 TPA, billet plant of 52,500 TPA, structure mill of 84,000 TPA in Fiscal 2022, (iv) one 1,15,500 TPA sponge iron plant and 95,040 TPA billet in Fiscal 2021 (v) an iron pellet plant of 6,00,000 TPA, a sponge iron plant of 99,000 TPA, a billet plant of 1,68,960 TPA, a TMT plant of 1,06,992 TPA, a wire rod plant of 2,00,000 TPA and a captive power plant of 30 MW in Fiscal 2020; and (vi) a ferro alloy plant of 14,000 TPA in Fiscal 2019. Further, our acquisitions of Ramsarup Industries Limited and Shree Venkateshwara Electrocast Private Limited has lead to increase in our production capacities of wire rods, pig iron, sponge iron, TMT bars and aluminium foils. We have, through our Subsidiary, Shyam Sel and Power Limited, acquired Mittal Corp Limited which included two stainless steel manufacturing units situated at Pithampur, Dhar District, Madhya Pradesh, which increased our production capacity of Billet by 120,000 TPA and Wire Rod and rebar by 150,000 TPA.

Our Company has lower capital intensity ratio in comparison to both the peer set indicating better capital spending. *(Source: CRISIL Report)*

Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. We are also in the process of setting up two more manufacturing plants at Kharagpur and Durgapur, West Bengal, which were acquired through our acquisition of Ramsarup Industries Limited.

The following table provides certain information in relation to the existing installed capacity and the proposed expansion plans we intend to undertake to further augment our existing installed capacities at our manufacturing plants:

Particulars	Unit of measurement	Category	Sambalpur manufacturing plant*		Jamuria manufacturing plant*		Mangalpur manufacturing plant*		Total*		
			Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Proposed Grand Total
Captive power plant	MW	Power Plant	158	90	184	90	15	-	357	180	537
Renewable Energy Plant	MW	Renewable Energy Plant	-	100	-	-	-	-	-	100	100
Iron pellet plant	TPA	Steel	30,00,000	-	30,00,000	-	-	-	60,00,000	-	60,00,000
Sponge iron plant(1)	TPA	Steel	13,53,000	5,94,000	14,85,000	4,62,000	60,000	-	28,98,000	10,56,000	39,54,000
Billet plant(2)	TPA	Steel	8,62,480	-	11,44,480	-	-	-	20,06,960	-	20,06,960
Billet Stainless	TPA	Stainless		1,32,000			-	-	-	1,32,000	1,32,000
Billet – HSM	TPA	Steel		4,00,000			-	-	-	4,00,000	4,00,000
Billet/Slab – HFP	TPA	Steel		5,00,000			-	-	-	5,00,000	5,00,000
TMT, structural products, wire rods and pipes	TPA	Steel	9,20,000	-	11,54,000	-	-	-	20,74,000	-	20,74,000
Ferro alloy plant(3)	TPA	Steel	1,12,000	-	70,000	-	37,920	24,000	2,19,920	24,000	2,43,920
Blast furnace	TPA	Steel	-	-	-	6,00,000	-	-	-	6,00,000	6,00,000
Ductile pipe plant	TPA	Steel	-	-	-	2,00,000	-	-	-	2,00,000	2,00,000
Coke Oven Plant	TPA	Steel	-	-	-	4,50,000	-	-	-	4,50,000	4,50,000

Particulars	Unit of measurement	Category	Sambalpur manufacturing plant*		Jamuria manufacturing plant*		Mangalpur manufacturing plant*		Total*		
			Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Proposed Grand Total
Colour Coated Sheet	TPA	Steel	-	-	-	4,00,000	-	-	-	4,00,000	4,00,000
Parallel Flange Beam	TPA	Steel	-	4,00,000	-	-	-	-	-	4,00,000	4,00,000
Hot Flat Products	TPA	Stainess	-	5,00,000	-	-	-	-	-	5,00,000	5,00,000
Cold rolling mill Stainless	TPA	Stainless	-	2,00,000	-	-	-	-	-	2,00,000	2,00,000
Total			**62,47,480**	**27.26,000**	**68,53,480**	**21,12,000**	**97,920**	**24,000**	**1,31,98,880**	**48,62,000**	**1,80,60,880**

In addition, we have also installed a 5.1 MW capacity windmill, as of November 30, 2023 located at Sangli, Maharashtra and have executed a power purchase agreement with Maharashtra State Electricity Distribution Company Limited for sale of our wind power generated through our windmill. Also, the company has proposed expansion of beneficiation plant in Orissa of 3 MTPA Capacity

Product	Unit	As of and for the financial year ended March 31,						As of and for the nine months ended November 30, 2023	
		2021		2022		2023			
		Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)
Stainless Steel – billet (3)(a)	TPA	–	–	–	–	–	–	120,000	19.69%
Stainless Steel – Rebar , Wire Rod(3)(b)	TPA	–	–	–	–	–	–	150,000	28.91%

Particulars	Unit of measurement	Category	Pakuria manufacturing plant		Giridih manufacturing plant		Total*		
			Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Proposed Grand Total
Aluminium Foil	TPA	Aluminium	40,000	-	3,600		43,600	-	43,600
Battery Foil	TPA	Aluminium	-	5,000	-	-	-	5,000	5,000
Aluminium Foil with caster	TPA	Aluminium				10,000	-	10,000	10,000
Total			**40,000**	**5,000**	**3,600**	**10,000**	**43,600**	**15,000**	**58,600**

**As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.*

Notes:

(1) The information relating to the existing installed capacity of our manufacturing plants as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plants.

(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing plant as of at the end of the relevant period. In the case of capacity utilization for the period ending November 30, 2023, the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.

(3) The assumptions and estimates taken specifically into account include the following:

(a) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year;

(b) billet: capacity of each furnace in TPH X (24 hours per day/ heat cycle) X 330 days per year; 1 heat cycle = 3 hours;

(c) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced.

The following table sets out details of our proposed expansions at the proposed plants which we are presently in the process of setting up at Kharagpur and Durgapur, West Bengal:

Particulars	Unit of measure ment	Kharagpur Manufacturing Plant		Durgapur Manufacturing Plant		Total		
		Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Existing installed capacity (as of November 30, 2023)	Proposed capacity expansion	Proposed Grand Total
Captive Power Plant	MW	-	60	-	-	-	60	60
Sponge Iron	TPA	-	1,50,000	-	-	-	1,50,000	1,50,000
Pig Iron	TPA	-	4,50,000	-	-	-	4,50,000	4,50,000
Sinter	TPA	-	12,00,000	-	-	-	12,00,000	12,00,000
Coke Oven	TPA	-	2,50,000	-	-	-	2,50,000	2,50,000
Ductile Iron Pipe	TPA	-	4,00,000	-	-	-	4,00,000	4,00,000
Steel Wire Drawing	TPA	-		-	85,000	-	85,000	85,000
Total		**-**	**24,50,000**	**-**	**85,000**	**-**	**25,35,000**	**25,35,000**

As a result of our proposed capacity expansion plans and our proposed acquisition plans, our aggregate installed metal capacity (comprising intermediate and final products) and captive power plants installed capacity are proposed to be increased from 13.51 MTPA, as of November 30, 2023, to 20.92 MTPA, and 357 MW, as of September 30, 2023, to 597 MW, respectively. These proposed expansions are expected to become operational between Fiscal 2022 and Fiscal 2026.

We have proven track record for timely completion of our capacity expansions. The expansion of our capacities will result in further integration of our Sambalpur and Jamuria manufacturing plants, augmentation of our revenues, better cost controls and consequent increase in profitability and presence across the steel value chain. In addition, we believe our expansion plans and strategy will allow us to meet the anticipated increase in steel demand in the future, enable us to supply growing markets more efficiently and drive profitability.

Introduce new products by leveraging our forward integration capabilities

We believe that the forward and backward integration of our Sambalpur and Jamuria manufacturing plants as well as our past acquisitions has created cost synergies resulting in cost efficiencies and increase in profitability. We intend to further integrate our operations by using the existing waste and by-products from our operations to introduce new and high margin products. We are currently in the process of further diversifying our product portfolio by entering into the segments such as pig iron, ductile iron pipes, colour coated sheets, billet slabs, hot flat products, parallel flange beam and cold rolling mill stainless. In particular, we intend to use the pig iron from our operations to produce ductile iron pipes. In order to market our new products, we intend to leverage our existing distribution network. Introduction of new products will result in further diversification of products lines, augmentation of profits and further de-risking of our revenue streams.

Continue to maintain low leverage with healthy capitalisation metrics

According to the CRISIL Report, our Company is one of least leveraged group among its peers. Further, according to the CRISIL Report, our Company has one of the highest interest coverage ratio among its peers on back of low debt. As of March 31, 2021, 2022 and 2023 and as of September 30, 2023, our Gross Debt to Equity ratio was 0.24, 0.10, 0.18 and 0.29, respectively, on a consolidated basis. We intend to use the Net Proceeds from the Issue to repay/prepay our debt on a consolidated basis. For further details see "*Use of Proceeds*" on page 78. Prepayment of our debt will result in savings on finance cost, freeing up of working capital, reduce our debt to equity ratio for future leverage as well as increase our profits.

Continue to focus on cost efficiency and increase profitability and market share

We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improving our operational efficiencies. We intend to continuously invest in new infrastructure at our manufacturing plants and are exploring opportunities to obtain synergies in our existing manufacturing plants. For instance, we intend to introduce a new 600,000 TPA blast furnace at our Jamuria manufacturing plant which will enable us to forward integrate by manufacturing pig iron. The gas generated from the blast furnace will be utilised by our captive power plant thereby resulting in lower cost of power. The proposed iron pellet plant at our Jamuria manufacturing plant will enable us to backward integrate our proposed ductile iron pipe plant.

In order to increase our market share, we also aim to selectively acquire established businesses whose operations, resources and capabilities are complementary and/or supplementary to ours. In particular, with the introduction of the Insolvency and Bankruptcy Code, 2016, we intend to continue with our strategy of growing inorganically by acquiring stressed steel, ferro alloys and aluminium plants in order to increase our revenues and profitability, similar to our acquisition of Ramsarup Industries and our acquisition of Mittal Corp Limited which included two stainless steel manufacturing plants at Pithampur, Madhya Pradesh. Our proposed acquisitions will revolve around increasing our market share, achieving operating leverage in key markets, increasing sales and distribution network and strengthen cost competitiveness in the market.

Focus on exports

Exports typically result in higher margins and timely realisation of our revenue streams. The National Steel Policy ("**NSP**"), approved by the Government of India in 2017, serves as a long-term policy goal aimed at creating incremental demand and augmenting steel exports. Further, NSP aims to export approximately 24 MT of steel by 2030. Typically, when global demand is high, steel availability in India for domestic consumption gets impacted.

India is the 2nd largest steel producer in world, with around 5-6% exported globally. With China, the biggest steelmaking country, announcing cuts in production in 2021, opportunities for Indian players look bright. In Fiscal 2022, India exported the highest quantity of wire rods (1.3 MT) to countries such as Singapore, Nepal, Taiwan, Thailand and USA. (*Source: CRISIL Report*)

Our revenue from exports amounted to ₹ 1,008.54 crore, ₹ 1,758.64 crore, ₹ 1,264.72 crore and ₹ 667.94 crore in Fiscal 2021, Fiscal 2022 and Fiscal 2023 and the six months ended September 30, 2023, respectively. We intend to capitalize on such industry opportunities and increase our exports by leveraging the close proximity of our manufacturing plants to various ports and export products, such as, ferro alloys and specialised billets to international markets. We currently export our products to 35 countries, and are currently exploring newer geographies in North America, South America, Europe and Africa in order to increase our exports.

Products

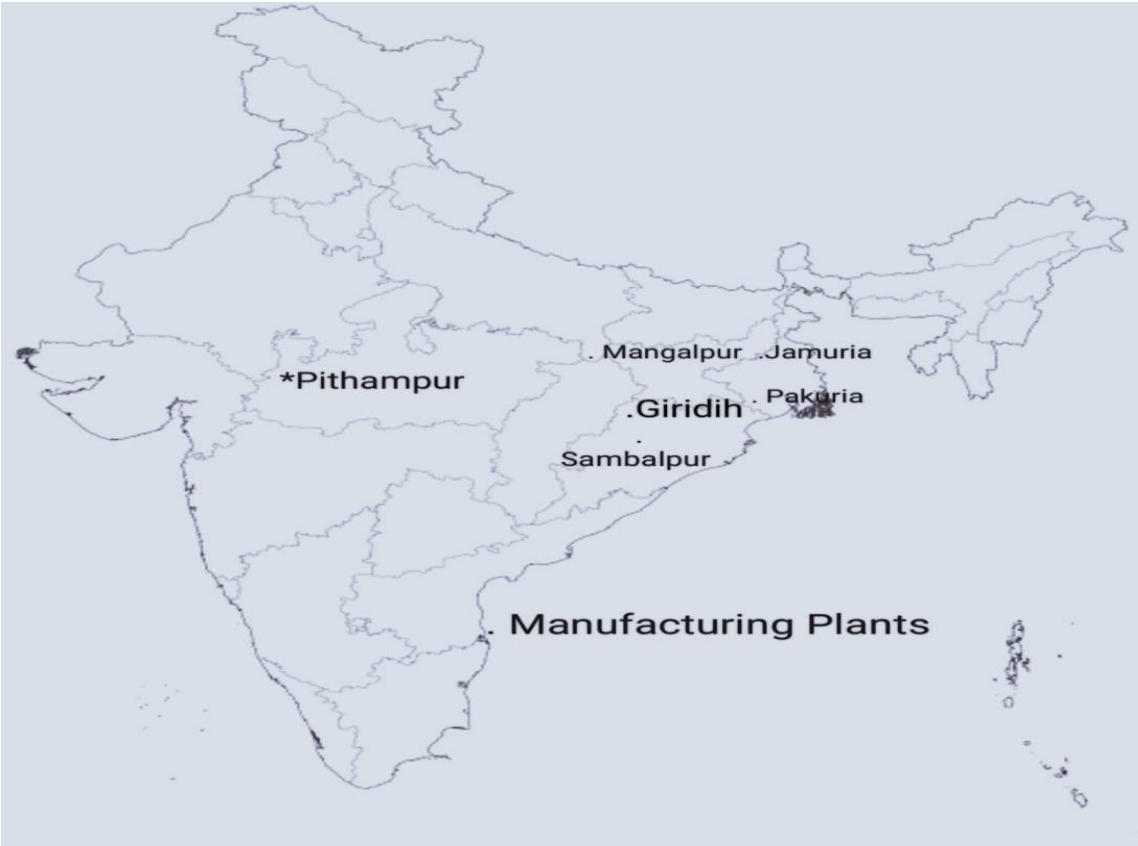
The following table lists our various products, as well as their principal end uses/ markets:

Products	Description	Principal End Usage / Markets
Pellet	Pellets are a type of agglomerated iron ore fines, which has better tumbler index when compared with that of parent iron ore and can be used as a substitute of lump ore for the production of sponge iron and in blast furnaces for the production of hot metal. The iron pellets are produced with cold crushing strength (‘CCS’) of 210 plus and porosity of 24 plus which helps to maintain grade in DRI fem – 80 plus and our product mean particle size (‘MPS’) is approximately 9.5 to 10, which assists in reducing oxygen in kiln and maintain consistency in grade.	Iron pellets are used as raw material for sponge iron and blast furnace. Apart from using items as input for our finished products, we also sell iron pellets, an intermediate product, primarily in the states of West Bengal, Odisha, Chhattisgarh, Maharashtra and Jharkhand. We also export pellet to countries, such as, China
Sponge Iron	Sponge iron is a spongy mass of iron which is a metallic product produced through direct reduction of iron ore/ iron pellet in the solid state. It is a substitute for scrap and is mainly used in making steel through the secondary route. The process of sponge iron making aims to remove the oxygen from iron ore or pellets.	Sponge iron is used as raw material for billets and is a substitute of scrap. We sell sponge iron, an intermediate product, primarily in the states of West Bengal, Chhattisgarh, Jharkhand, Bihar, Assam, Meghalaya, Madhya Pradesh Uttarakhand, Rajasthan, Maharashtra and Gujarat.
Billets	A billet is typically cast to a rectangular or square cross section compatible with secondary processing. Billets are created directly through continuous casting or extrusion or indirectly through hot rolling an ingot or bloom.	Billets are used as raw material for the manufacture of TMT and structural products. Apart from using items as input for our finished products, we also sell billets including customised billets, an intermediate product, primarily in the states of Chhattisgarh, Uttar Pradesh, Punjab, Rajasthan and Maharashtra. We also export billets to Nepal and Bangladesh.

Products	Description	Principal End Usage / Markets
TMT, structural products (angles, channels, beams), wire rods and pipes	TMT bars or Thermo-Mechanically Treated bars are high-strength reinforced bars having a tough outer core and a soft inner core. The very first step of the manufacturing process involves passing the steel wires through a rolling mill stand. Thereafter, these rolled steel wires are again passed through water cooling system. While passing the wires through the water cooling system, the water pressure is optimised. Structural products are hot rolled products of special form like rounds, angels, channels beams.	TMT, structural products (angles, channels and beams), wire rods are used for the construction of buildings, transmission towers, industrial sheds, structures, road, dam and in other various infrastructures. We sell TMT, structural products angles, channels and beams), wire rods and pipes, a finished product, primarily in the states of West Bengal, Odisha, Bihar, Jharkhand, Tripura, Sikkim, Assam, Arunachal Pradesh, Manipur, Meghalaya, Uttrakhand, Uttar Pradesh, Punjab and Haryana. We also undertake conversion of hot rolled coils to pipes exclusively for an Indian steel conglomerate.
Ferro Alloy Products	Ferro alloy refers to various alloys of iron with a high proportion of one or more other elements such as manganese, aluminium, or silicon. They are used in the production of steels and alloys. The alloys impart distinctive qualities to steel and cast iron or serve important functions during production.	Ferro alloys produced by us are used as raw materials for the manufacture of stainless steel products. We also sell specialised ferro alloys - low and medium carbon - for special steel applications. We sell ferro alloys of various grades, a finished product, to steel companies primarily in the states of Odisha, Jharkhand, Karnataka, Uttar Pradesh, Haryana and Rajasthan. We also export ferro alloys to South Korea, Indonesia, Thailand, Taiwan, Japan, New Zealand, United Kingdom. We also undertake conversion of manganese ore and chrome ore to silico manganese and ferro chrome respectively for an Indian steel conglomerate on a non-exclusive basis.
Aluminium foil	Aluminium foil refers to aluminium prepared in thin metal leaves with a thickness less than 0.2 mm (7.9 mils); thinner gauges down to 6 micrometers (0.24 mils). A standard household foil is typically 0.016 mm (0.63 mils) thick, and household foil is typically 0.024 mm (0.94 mils). The foil is pliable, and can be readily bent or wrapped around objects. Thin foils are fragile and are sometimes laminated to other materials such as plastics or paper to make them more useful.	The properties of aluminium foil like heat insulation, malleability and recyclability makes it ideal for converting them into aluminium foil containers that can be used to store food. Further, it is also used in the pharmaceutical industry as medicines need packaging in which they are safely protected from environmental influences, oxygen and moisture. The nlister packs are often used for medicines in the pharmaceutical industry. The ultra light aluminium foil are used to wrap products. These are also used as pouches and laminates. Further, house foils are all purpose and solve many problems around the household
Stainless steel	Stainless steel is an iron alloy with minimum 10.5% chromium. It is superior to carbon steel, as chromium acts as an alloying agent, imparting corrosion resistance properties. Other alloying elements such as nickel, molybdenum, and nitrogen are added to enhance the structure and properties of stainless steel, including its strength and cryogenic toughness.	The stainless steel industry caters to consumer durables, automotive, railways and transport, and airport, building and commercial sectors.

Our Manufacturing Plants

The following illustrates the locations of our manufacturing plants:



The following tables highlights certain key characteristics of our existing manufacturing plants:

Manufacturing Plant	Total Installed Metal Capacity (including intermediate and final products) as of November 30, 2023*	Products
Sambalpur, Odisha	6.25 MTPA	Pellet, sponge iron, billets, TMT, structural products, wire rods, and pipes and ferro alloys
Jamuria, West Bengal	6.85 MTPA	Pellet, sponge iron, billets, TMT and structural products, wire rods, and ferro alloys
Mangalpur, West Bengal	0.10 MTPA	Sponge iron and ferro alloys
Pithampur, West Bengal	0.27 MTPA	Stainless Steel
Pakuria, West Bengal	0.04MTPA	Aluminium foil
Giridih, Jharkhand	0.004 MTPA	Aluminium foil

**As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.*

Note:

The information relating to the existing installed capacity of our manufacturing plants as of November 30, 2023 are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plants.

Our steel business is operated through our manufacturing plants at Sambalpur, Jamuria, Pithampur and Mangalpur with a combined installed metal capacity of 13.51 MTPA (including intermediate and final products), as of November 30, 2023 while our aluminium foil business is operated through our manufacturing plants at Pakuria and Giridih with a combined installed capacity of 0.04 MTPA. Our manufacturing plants are driven by advanced technology and integration, as well as green technologies, which have been instrumental in achieving cost and operational efficiencies.

Aggregate Installed Capacity and Capacity Utilization

The following table sets forth certain information relating to the installed capacity and capacity utilisation (on the basis of total installed capacity and actual production) of our products at our manufacturing plants as of/ for the financial years ended March 31, 2021, 2022 and 2023 and the eight months ended November 30, 2023:

Product	**Unit**	**As of and for the financial year ended March 31,**						**As of and for the eight months ended November 30, 2023**	
		2021		**2022**		**2023**			
		Installed Capacity (TPA / MW)*(1)	**Utilisation (%)*(2)**	**Installed Capacity (TPA / MW)*(1)**	**Utilisation (%)*(2)**	**Installed Capacity (TPA / MW)*(1)**	**Utilisation (%)*(2)**	**Installed Capacity (TPA / MW)*(1)**	**Utilisation (%)*(2)**
Iron pellet	TPA	24,00,000	102.70%	36,00,000	86.32%	48,00,000	68.65%	60,00,000	57.65%
Sponge iron(3)(a)	TPA	13,90,000	78.00%	21,06,000	93.45%	23,04,000	83.02%	28,98,000	77.15%
Billet(3)(b)	TPA	892,320	93.90%	945,120	92.07%	16,97,680	107.94%	20,06,960	78.60%
TMT, structural products, wire rods and pipes	TPA	820,000	76.17%	904,000	103.64%	16,74,000	102.40%	20,74,000	74.18%
Stainless Steel (Billet)	TPA	-	-	-	-	-	-	120,000	19.69%
Stainless Steel Rebar, Wire rod	TPA	-	-	-	-	-	-	150,000	28.91%
Ferro alloy products(3)(c)	TPA	205,920	56.93%	205,920	99.71%	219,920	103.16%	219,920	112.14%
Aluminum	TPA	-	-	40,000	8.85%	40,000	22.61%	40,000	56.60%
Captive power plant	MW	227	81.50%	267	92.71%	267	92.81%	357	99.18%

**As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.*

Notes:

(1) The information relating to the existing installed capacity of our manufacturing plants as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plants.

(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing plant as of at the end of the relevant period. In the case of capacity utilization for the period ending November 30, 2023, the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.

(3) The assumptions and estimates taken specifically into account include the following:

(a) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year;

(b) billet: capacity of each furnace in TPH X (24 hours per day/ heat cycle) X 330 days per year; 1 heat cycle = 3 hours;

(c) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced.

Also, see "*Risk Factors – Information relating to our installed capacities and capacity utilization of our manufacturing plants included in this Preliminary Placement Document are based on various assumptions and estimates and future production and capacity utilization may vary*." on page 64.

Sambalpur Manufacturing Plant

The Sambalpur manufacturing plant is located in the state of Odisha and consists of an integrated steel plant with an installed metal capacity of 6.25 MTPA (including intermediate and final products), as of November 30, 2023.

As of November 30, 2023, the manufacturing plant comprises of three pellet plant (2 plants of 9,00,000 TPA each and one plant of 12,00,000 TPA each), eleven direct reduced iron kilns for sponge iron (two kilns of 350 TPD each, two kilns of 100 TPD, four kilns of 500 TPD each and two klin of 600 TPD each), 21 billet furnaces (four furnaces of 18 TPH each, four furnaces of 8 TPH each, four furnaces of 12 TPH each, four furnaces of 18 TPH and five furnaces of 18 TPH), one rolling, structural, wire rod, wire drawing mill and pipe mill each and one rolling mill cum wrm and eight ferro alloy furnaces (two furnaces of 6.0 MVA each, two furnaces of 9 MVA each, three furnaces of 11 MVA each and one furnace of 4.5 MVA each).

The following table highlights the installed capacities as of November 30, 2023 and proposed capacity expansions at our Sambalpur manufacturing plant:

Particulars	Existing Installed Capacities as of November 30, 2023*	Proposed Capacity Expansion*
Pellet	30,00,000	-
Sponge iron(3)(a)	13,53,000	594,000
Billet(3)(b)	8,62,480	-
Billet Stainless	-	1,32,000
Billet – HSM	-	4,00,000
Billet/Slabs – HFP	-	5,00,000
Rolling mill, structure and wire rod mill	9,20,000	-
Ferro Alloy(3) (c) (in TPA)	1,12,000	-
Parallel Flange Beam	-	4,00,000
Hot Flat Products	-	5,00,000
Cold rolling mill Stainless	-	2,00,000
Captive Power Plant (in MW)	158	90

**As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.*

Note:

(1) The information relating to the existing installed capacity of our manufacturing plant as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plant.

(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of the manufacturing plant as of at the end of the relevant period. In the case of capacity utilization for the period ending November 30, 2023, the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.

(3)The assumptions and estimates taken specifically into account include the following:

(a) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year;

(b) billet: capacity of each furnace in TPH X (24 hours per day/ heat cycle) X 330 days per year; 1 heat cycle = 3 hours;

(c) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced.

The Sambalpur manufacturing plant has five captive power plants comprising one of 33 MW, two of 30 MW each, one of 25 MW and one 40MW, aggregating to 158 MW, as of November 30, 2023, which utilise non-fossil fuel, pollution dust, waste heat and solid wastes (dolochar) and char / flu gases from our sponge iron plants and washery rejects to generate electricity. Any shortfall in the electricity requirements of the manufacturing plant is met with power supply from WESCO. To meet our increasing power requirements consequent to our proposed capacity expansion, we are in the process of adding another 90 MW captive power plant in the same premises as our Sambalpur manufacturing plant.

The Sambalpur manufacturing plant draws 5.64 cusecs of water annually from the Hirakud reservoir pursuant to an agreement with the government of Odisha. The manufacturing plant has a captive railway siding and is in close proximity to NH 16. The nearest ports to the manufacturing plant are Dhamra and Paradip, which are located in Odisha and Visakhapatnam which is located in Andhra Pradesh.

Raw material procurement

Coal – We primarily procure coal pursuant to fuel supply agreements ("**FSAs**") entered into with Mahanadi Coalfields Limited ("**MCL**") in September 2016, October 2016 and December 2018, and South Eastern Coalfields Limited ("**SECL**") in March and April 2019. The FSAs are valid for a term of five years and are extendable by a further period of five years by way of mutual agreement between us and MCL or SECL (as the case maybe). Under the FSAs, we are obligated to offtake atleast 75% of the annual contracted capacity of the coal, failing which we are required to pay liquidated damages to MCL or SECL (as the case maybe). In addition to the fuel supply agreements, we also buy imported coal on a purchase order basis.

Chrome Ore – We procure chrome ore from Odisha Mining Corporation Limited. Further, we are obligated to offtake atleast 90% of the annual contracted capacity of the chrome ore from Odisha Mining Corporation Limited, failing which we are required to pay damages equivalent to 5% of the entire sale value of the allotted quantity. We also procure chrome ore from other mine owners on a purchase order basis and imports.

Iron Ore / Iron Ore Fines – We procure iron ore / iron ore fines from various owners of mines in Barbil, Odisha on a purchase order basis.

Manganese Ore – We procure manganese ore from MOIL Limited and other mine owners on a purchase order basis as well as from imports.

Installed capacity and capacity utilisation

The following table sets forth certain information relating to the installed capacity and capacity utilisation (on the basis of total installed capacity and actual production) of our products at our Sambalpur manufacturing plant as of/ for the financial years ended March 31, 2021, 2022 and 2023 and the eight months ended November 30, 2023:

Product	Unit	As of and for the financial year ended March 31,						As of and for the eight months ended November 30, 2023	
		2021		2022		2023			
		Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)
Iron pellet	TPA	12,00,000	93.33%	18,00,000	89.42%	30,00,000	57.96%	30,00,000	65.69%
Sponge iron(3)(a)	TPA	7,92,000	73.80%	9,57,000	81.57%	11,55,000	94.27%	13,53,000	88.97%
Billet(3)(b)	TPA	4,01,280	109.10%	4,01,280	120.02%	8,62,580	101.54%	8,62,480	88.05%
TMT, structural products, wire rods and Pipes	TPA	4,10,000	75.90%	4,10,000	100.26%	9,20,000	93.62%	9,20,000	73.34%
Ferro alloy	TPA	98,000	72.29%	98,000	84.31%	1,12,000	92.92%	1,12,000	84.85%

Product	Unit	As of and for the financial year ended March 31,						As of and for the eight months ended November 30, 2023	
		2021		2022		2023			
		Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)
products(3)(c)									
Captive power plant	MW	118	90.20%	118	95.95%	158	88.65%	158	99.73%

**As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.*
Notes:
(1) The information relating to the existing installed capacity of our manufacturing plant as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plant.
(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of the manufacturing plant as of at the end of the relevant period. In the case of capacity utilization for the period ending November 30, 2023, the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.
(3)The assumptions and estimates taken specifically into account include the following:
(a) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year;
(b) billet: capacity of each furnace in TPH X (24 hours per day/ heat cycle) X 330 days per year; 1 heat cycle = 3 hours;
(c) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced.

Jamuria Manufacturing Plant

The Jamuria manufacturing plant is located in the state of West Bengal and consists of an integrated steel plant with an installed metal capacity of 6.85 MTPA (including intermediate and final products), as of November 30, 2023.

As of November 30, 2023, the manufacturing plant comprises of three pellet plants (2 plants of 9,00,000 TPA each and one plant of 12,00,000 TPA each) , eleven direct reduced iron kilns for sponge iron (three kiln of 350 TPD increased to 450 TPD, three kilns of 300 TPD each increased to 450 TPD each, two kilns of 90 TPD each increased to 150 TPD, two kilns of 100 TPD increased to 150 TPD and one klin of 600 TPD), 24 billet furnaces (four furnaces of 5 TPH each, two furnaces of 15 TPH each, four furnaces of 18 TPH each, eight furnaces of 8 TPH each, two furnaces of 15 TPH each and 4 furnaces of 22.5 TPH each), three rolling, two wire rod and one structural mill and one wire drawing mill and six ferro alloy furnaces (two furnaces of 4.5 MVA each and four furnaces of 9 MVA each).

The following table highlights the installed capacities as of November 30, 2023 and the proposed capacity expansions at our Jamuria manufacturing plant:

Particulars	Existing Installed Capacities as of November 30, 2023*	Proposed Capacity Expansion*
Pellet	30,00,000	-
Sponge iron(1)	14.85,000	4,62,000
Billet(2)	11,44,480	-

Particulars	Existing Installed Capacities as of November 30, 2023*	Proposed Capacity Expansion*
Rolling mill and wire rod mill & Structure	11,54,000	1,00,000
Ferro alloy(3)	70,000	-
Captive Power Plant (MW)	184	90
Blast furnace	-	6,00,000
Coke Oven Plant	-	4,50,000
Colour Coated Sheet	-	4,00,000
Ductile pipe	-	2,00,000

**As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.*

Note:

The information relating to the existing installed capacity of our manufacturing plant as of November 30, 2023 and proposed capacity expansion of our manufacturing plant are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plant.

The assumptions and estimates taken specifically into account include the following:

(1) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year;

(2) billet: capacity of each furnace in TPH X (24 hours per day/ heat cycle) X 330 days per year; 1 heat cycle = 3 hours;

(3) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced.

As of November 30, 2023, the Jamuria manufacturing plant has four captive power plants (1 X 21 MW, 1 X 43 MW,1 X 30 MW and 1 X 90MW) aggregating to 184 MW which utilise non-fossil fuel, char/ flu gases, pollution dust, waste heat and solid wastes (dolochar) from our sponge iron plants to generate electricity. Any shortfall in the electricity requirements of the manufacturing plant was met with power supply from India Power Corporation Limited and Damodar Valley Corporation. To meet our increasing power requirements consequent to our proposed capacity expansion, we are in the process of adding another 90 MW captive power plant in the same premises as our Jamuria manufacturing plant.

The Jamuria manufacturing plant draws water from the Ajoy river. Asansol Municipal Corporation also supplies water to the Jamuria manufacturing plant. The manufacturing plant has a captive railway siding and is in close proximity to NH 19. The nearest ports to the manufacturing plant are Kolkata and Haldia, both located in West Bengal.

Raw material procurement

Coal – We primarily purchase coal pursuant to FSAs entered into with Central Coalfields Limited ("**CCL**") in October 2016, December 2018, April 2019 and June 2020, and MCL in October 2016. The FSAs are valid for a term of five years and are extendable by a further period of five years by way of mutual agreement between us and MCL or CCL (as the case maybe). Under the FSAs, we are obligated to offtake atleast 75% of the annual contracted capacity of the coal, failing which we are required to pay liquidated damages to MCL or CCL (as the case maybe). In addition to the FSAs, we also buy imported coal on a purchase order basis.

Iron Ore / Iron Ore Fines – We procure iron ore / iron ore fines from various owners of mines in Barbil, Odisha on a purchase order basis.

Manganese Ore – We procure manganese ore from MOIL Limited and other mine owners on a purchase order basis as well as from imports.

Installed capacity and capacity utilisation

The following table sets forth certain information relating to the installed capacity and capacity utilisation (on the basis of total installed capacity and actual production) of our products at our Jamuria manufacturing plant as of/ for the financial years ended March 31, 2021, 2022 and 2023 and the eight months ended November 30, 2023:

Product	Unit	As of and for the financial year ended March 31,						As of and for the eight months ended November 30, 2023	
		2021		2022		2023			
		Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)
Iron pellet	TPA	12,00,000	112.07%	18,00,000	83.22%	18,00,000	82.65%	30,00,000	49.43%
Sponge iron(3)(a)	TPA	5,38,000	83.57%	10,89,000	108.07%	10,89,000	83.41%	14,85,000	68.90%
Billet(3)(b)	TPA	4,91,040	81.48%	5,43,840	69.85%	6,89,520	111.71%	11,44,380	71.48%
TMT, structural products, wire rods and pipes	TPA	4,10,000	76.44%	4,94,000	106.84%	6,89,000	103.82%	11,54,000	76.66%
Ferro alloy products(3)(c)	TPA	70,000	42.99%	70,000	113.70%	70,000	112.83%	70,000	140.47%
Captive power plant	MW	94	72.07%	94	82.01%	94	88.34%	184	72.36%

**As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.*

Notes:

(1) The information relating to the existing installed capacity of our manufacturing plant as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plant.

(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of the manufacturing plant as of at the end of the relevant period. In the case of capacity utilization for the period ending November 30, 2023 the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.

(3)The assumptions and estimates taken specifically into account include the following:

(a) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year;

(b) billet: capacity of each furnace in TPH X (24 hours per day/ heat cycle) X 330 days per year; 1 heat cycle = 3 hours;

(c) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced.

Mangalpur manufacturing plant

The Mangalpur manufacturing plant is located in the state of West Bengal and consists of steel plant with an installed metal capacity of 0.10 MTPA (including intermediate and final products), as of November 30, 2023.

The manufacturing plant comprises direct reduced iron kilns for sponge iron plants (three kilns of 100 TPD each) and ferro alloy furnaces (one furnace of 4.5 MVA and two furnaces of 9 MVA each), as of November 30, 2023.

The following table highlights the installed capacities as of November 30, 2023 of our Mangalpur manufacturing plant:

Particulars	Existing Installed Capacities as of November 30, 2023*	Proposed Capacity Expansion*
Sponge Iron[(1)]	60,000 TPA	-
Ferro alloy[(2)]	37,920 TPA	24,000 TPA

As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.
Note:

- *The information relating to the existing installed capacities of our manufacturing plant as of November 30, 2023 are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plant.*
- *The assumptions and estimates taken specifically into account include the following:*

(1) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year; and
(2) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced.

The Mangalpur manufacturing plant has one captive power plant of 15 MW, as of November 30, 2023, which utilises non-fossil fuel, pollution dust, char/ flu gases, waste heat and solid wastes (dolochar) from our sponge iron plants to generate electricity. Any shortfall in the electricity requirements of the manufacturing plant is met with power supply from India Power Corporation Limited and Damodar Valley Corporation. The manufacturing plant is in close proximity to NH 19. The nearest ports to the manufacturing plant are Kolkata and Haldia, both located in West Bengal.

Raw material procurement

Coal – We primarily procure coal pursuant to FSAs entered into with CCL in April 2018 and April 2019. The FSAs are valid for a term of five years and are extendable by a further period of five years by way of mutual agreement between us and CCL. Under the FSAs, we are obligated to offtake at least 75% of the annual contracted capacity of the coal, failing which we are required to liquidated damages to CCL. In addition to the FSAs, we also buy imported coal on a purchase order basis.

Iron Ore – We procure iron ore from various owners of mines in Barbil, Odisha on a purchase order basis.

Manganese Ore – We procure manganese ore from MOIL Limited and other mine owners on a purchase order basis as well as from imports.

Installed capacity and capacity utilisation

The following table sets forth certain information relating to the installed capacity and capacity utilisation (on the basis of total installed capacity and actual production) of our products at our Mangalpur manufacturing plant as of/ for the financial years ended March 31, 2021, 2022 and 2023 and the eight months ended November 30, 2023:

Product	Unit	As of and for the financial year ended March 31,						As of and for the eight months ended November 30, 2023	
		2021		2022		2023			
		Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)	Installed Capacity (TPA / MW)*(1)	Utilisation (%)*(2)
Sponge iron[(3)(a)]	TPA	60,000	143.29%	60,000	155.37%	60,000	162.52%	60,000	164.89%
Ferro alloy products[(3)(b)]	TPA	37,920	78.20%	37,920	86.35%	37,920	79.76%	37,920	99.30%
Captive power plant	MW	15	84.45%	15	87.20%	15	90.33%	15	104.61%

As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.
Notes:
(1) The information relating to the existing installed capacity of our manufacturing plant as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plant.
(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of the manufacturing plant as of at the end of the relevant period. In the case of capacity utilization for the period ending November 30, 2023 the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity

for the relevant period.
(3) The assumptions and estimates taken specifically into account include the following:
(a) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year;
(b) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced.

Pakuria Manufacturing plant and Giridh Manufacturing plant

Our aluminium foil manufacturing plants situated in Pakuria, West Bengal and Giridh, Jharkhand have made us one of the largest manufacturers of aluminium foils in India *(Source: CRISIL Report)*. Spread over 5 acres, the plants have been installed by Achenback (Germany).

The plants have rolling range of 40 to 5 microns with annealing capabilities, which are customised as per demands.

The following table highlights the installed capacities as of November 30, 2023 of our aluminium foil manufacturing plants:

Particulars	**Existing Installed Capacities as of November 30, 2023***
Pakuria, West Bengal	40,000
Giridh, Jharkhand	3,600

**As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.*

Pithampur Manufacturing plant

Our stainless steel manufacturing plants situated in Pitampur, Madhya Pradesh.

The plant has two units, one unit for production of billet having capacity of 120,000 TPA and one unit for production of wire rod and rebar having capacity of 150,000 TPA as of November 30, 2023.

The following table highlights the installed capacities as of November 30, 2023 of our stainless steel manufacturing plants:

Particulars	Existing Installed Capacities as of November 30, 2023*
Unit I	1,20,000
Unit II	1,50,000

**As certified by Shwetendu Sharad Dhanuka, Chartered Engineer, by certificate dated January 2, 2024.*

Sales, Marketing and Distribution

Our product range is supported by a diverse sales and distribution network throughout India and globally. We distribute our products in the domestic market by selling through distribution network comprising of wholesale traders, distributors, channel partners and dealers as well as sell directly to institutional customers. In the export market, we use a combination of direct sales to institutional customers and sales through international trading houses. Our TMT and structural products are sold under the brand '*SEL*' and logo SEL TIGER 550D TMT RE-BAR. Our sales contracts are a mix of medium term and spot contracts.

We have created dedicated sales and marketing teams for each of our product segments, who are responsible for understanding and adapting to the needs of our customers for each particular product segment. We are also focusing on specific markets where we believe there is room for penetration into high value projects/ products. Our marketing team is also focused on selling products, such as, selling customised billets, specialised ferro alloys for special steel applications. We believe that we have created a place for our Company in terms of product customization in all major product segments by offering a holistic product solution. For instance, our cut and bend TMT bars are customizable.

Our manufacturing plants are well connected through national road highways and major rail networks, which act as distribution enablers. We also use a coordinated multimodal transportation network for adherence to delivery commitments. Our manufacturing plants are also connected to all major ports through railways which facilitate export shipments.

We also undertake various "above-the-line" and "below-the-line" promotional activities for promoting our products with various taglines, including "Real Steel, Real Strength". In addition, we have entered into an agreement to engage a celebrity brand ambassador for the promotion of our products for a period of two years, which we believe will increase our brand visibility. As of November 30, 2023, we had partnerships with 1,837 dealers and distributors, who stock and sell our finished products across 28 states and two union territories. We sell our intermediate products through brokers.

Customers

Our product offerings cater to a mix of customers that consist of institutional customers and end-use consumers through our distribution network. In Fiscals 2021, 2022 and 2023, and in the six months ended September 30, 2023, our top 10 customers represented 26.10%, 24.52%, 22.36% and 13.97%, respectively, of our total revenues from operations in such periods. Our largest customer represented 4.00%, 4.56%, 3.73% and 2.86%, respectively, of our total revenues from operations in Fiscals 2021, 2022 and 2023, and in the six months ended September 30, 2023, respectively.

Pricing

We set the prices for our products based on market demand, our production capacity, transportation costs, inventory levels, competitors' prices and credit terms. Prices for different regions are also affected by local regulations and tax policies. A minimum price level is set for each type of products. Our central sales department evaluates the factors affecting our selling price on a regular basis and adjusts our minimum prices when appropriate and also determines the various schemes, offers and discounts applicable on our products. We are generally responsible for shipping costs and include such costs in the sales price. We usually sell our products by prepayment, credit sales or letter of credits.

Production Management and Inventory Control

We plan our production and manage the inventory level of our finished products on a monthly basis based on projected sales volumes and make periodic adjustments to the production schedule and volumes based on actual orders received. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at each of our integrated manufacturing plant. We maintain different inventory levels for raw materials depending on lead time required to obtain additional supplies.

Logistics

Our suppliers either deliver our raw materials directly to us or we are required to collect the raw materials from our suppliers, depending on the contract terms, at our own costs. Our Sambalpur and Jamuria manufacturing plants have captive railways sidings, which enable us to transport the raw materials and finished products. We also hire third party logistics companies to transport our raw materials and finished products from/ to our suppliers and customers, respectively. Further, we rely on the freight ships for the transport of imported coal as well as for export of our products. Some of our distributors and direct sale customers collect their purchases at their own costs at our manufacturing plants. For certain large infrastructure construction projects and government infrastructure projects, we arrange and pay for the shipment of our products from our manufacturing plants to construction sites for our customers.

Internal Controls

We have put in place a system of internal controls to help ensure that all assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. In addition, the internal financial control and reporting process ensures robust financial monitoring and ensures compliance. We deploy standard policies and procedures, covering relevant business aspects, which are designed to facilitate effective oversight on business operations. Our internal control system is periodically reviewed by the management, and supplemented by an extensive program of internal and external audits. Financial and other records are reliable for preparing financial information, maintaining accountability of assets and providing reliable management information.

Power and Fuel

Coal and electricity are principal sources of energy for steel production. Power and fuel account for a certain amount of our total expenses. In Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023, the power, fuel and electricity accounted for 4.78%, 3.57%, 5.49% and 4.77%, respectively, of our total expenses. We primarily utilize coal as a fuel during the process of steel production as well as in our captive power plant, while electricity is used across all processes.

In addition, we also earn revenue through the sale of power generated from our 5.1 MW capacity wind mill, as of November 30, 2023, at Sangli, Maharashtra to Maharashtra State Electricity Distribution Company Limited.

Environmental Management

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the remediation of contaminated sites and natural resource damages.

We have adopted various environmental management practices for operating our manufacturing plants. Conservation of natural resources and pollution control initiatives are integral components of our operational module. Integrated management systems are followed across all of our businesses. We also have a safety, health and environment manual. Some of the steps taken by us under our environment management system are as follows:

- Installation of electro static precipitators and bag filters in order to control the suspended particulate matter concentration from different processes at our manufacturing plants;
- Installation of fixed water sprinklers to control emissions;
- Installation of rain water harvesting system to recharge ground water and minimize withdrawal of surface water;
- Installation of online effluent quality monitoring systems which enable real time checks on the performance of pollution control devices through continuous online monitoring systems for stack emissions as well as ambient air quality;
- Installation of continuous emission monitoring system and ambient air quality management system;
- Utilisation of fly ash generated from the manufacturing process to manufacture fly ash bricks which are used for captive consumption as well sales to third parties, and helps in reducing pollution;
- Installation of effluent treatment plant and waste water treatment plant to treat the waste water generated from the manufacturing plants; and
- Environmental audit of our manufacture-ng plants by a third party consultant.

Further, in recognition of our efforts, we achieved a 4.5 star rating in 2019 in the ‘large scale category’ of Energy Conservation Awards, CII Eastern Region.

Occupational Health and Safety

Our activities are subject to the health and safety laws and regulations of India, which govern, among other things, the handling, storage and disposal of hazardous substances and wastes, and employee health and employee safety.

Our Sambalpur, Jamuria and Giridih manufacturing plants have obtained the ISO 9001:2015, ISO 14001: 2015 and ISO 45001: 2018 quality certifications. In addition, our Giridih manufacturing plant has also obtained ISO 22000:2018 quality certification. Unit II of our manufacturing plant in Pithampur has also obtained ISO 9001:2008 and ISO 14001:2004 quality certifications.

We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We aim to conduct our operations free from accidents and occupational hazards. We have implemented various practices at our operational units to ensure the safety of our people, including contractors and temporary labourers. Further, we strive to provide a safe working ecosystem for our people and accordingly, aim to follow all statutory requirements.

We also have a safety, health and environment manual. Some of the salient features of this manual are as follows:

- providing health and safety training across all levels of organisational hierarchy;
- identifying and mitigating occupational health and hygienic hazards;
- actively engaging with contractors, suppliers and business partners for safe performance on their part;
- reporting and investigating all accidents to prevent recurrences;
  integration of health and safety aspects in all business decisions; and
- periodical health and safety audit.

Repair and Maintenance

We schedule regular repair and maintenance programs for our manufacturing plants to maximize production efficiency and avoid unexpected interruption of our operations. We also have periodic scheduled shutdowns for maintenance. Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the manufacturing plants and machinery on an as-needed basis. In addition, our manufacturing plants are also periodically inspected by independent inspection agencies.

Intellectual Property

We have obtained registration for the trademark, , “SMEL”, “SEL”. In addition, we have made various trademark registrations applications for, amongst others, our brand logo under which our TMT and structural products are sold, , under various classes, with the Registrar of Trademarks in India under the Trade Marks Act, 1999. Further, we have copyright registrations for and from the Deputy Registrar of Copyrights in India.

Information Technology Systems

Our manufacturing plants operate on a digitally enabled, process based, integrated IT system. We use a combination of SAP and non-SAP applications. Our businesses run on an online platform onto a fully secured network with analytics solutions embedded in them. SAP, a cloud based application, is accessed by our Sambalpur manufacturing plant and our Registered and Corporate Office. Lighthouse ERP has been installed at S.S. Chambers, Kolkata, the registered office of our Subsidiary, SSPL and accessed by our Jamuria, Mangalpur and Pakuria manufacturing plants and the registered office of SSPL in order to provide us real time access to data. Data from our manufacturing plants as well as all our office locations where SAP is implemented is backed-up in cloud servers and on storage devices at our Registered and Corporate Office. All data generated from the Lighthouse ERP is backed up at servers housed in our office at S.S. Chambers, Kolkata.

Competition

We operate and sell our products in highly competitive markets. The market for our intermediate and final products is highly competitive. Our primary competitors include Jindal Steel and Power Limited, Tata Steel Limited, Steel Authority of India Limited, JSW Steel Limited, Kalyani Steel Limited and Prakash Industries (*Source: CRISIL Report*). For further details, see “*Industry Overview*” on page 122.

Competition occurs principally on the basis of price, quality and brand name. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. Many of our current and potential competitors include large companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have. See, “*Risk Factors – We face substantial competition, both from Indian and international steel producers, which may affect our prospects*” on page 56.

Employees

As of November 30, 2023, we had a workforce of 14,985 personnel which comprised 9,026 permanent employees and 5,959 contract employees for our operations. The number of contract laborers varies from time to time based on the nature and extent of work contracted to independent contractors. Our permanent employees include personnel engaged in management, administration, human resource, engineering, auditing, finance, sales and marketing, procurement, logistics and legal functions. In order to improve our operational efficiencies, we regularly organize in-house and external training programs for our employees. Our employees are not unionised into any labour or workers’ unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years.

Insurance

Our operations are subject to risks inherent in the manufacturing industry, such as work accidents, fire, earthquake and other force majeure events and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment damage. We have obtained standard fire and special perils policies for our Sambalpur and Jamuria manufacturing plants, while our Mangalpur plant is covered under an industrial all risk policy which provides for various covers including fire, machinery breakdowns, business interruptions, earthquakes. For our Jamuria manufacturing plant, we have obtained a machinery breakdown insurance policy. We have also obtained marine cargo open policies for our raw materials, finished products, and rotary kiln and cooler along with accessories. Further, we have obtained a fidelity guarantee policy and money insurance for carrying of cash and money in transit. Further, the total insurance coverage amount of our Company and our Subsidiary, SSPL, was ₹ 4,302.12 crore, as of September 30, 2023 and the percentage of coverage of insurance vis-à-vis our total assets calculated as the sum of written down value of property, plant and equipment and inventories was 69.13%, as of September 30, 2023, while the percentage of coverage of insurance vis-à-vis our net worth was 62.23%, as of September 30, 2023 and the percentage of coverage of insurance vis-à-vis our capital employed was 47.38%, as of September 30, 2023.

Corporate and Social Responsibility ("CSR")

We believe that sustainable community development is essential for harmonious development of both the community and industry. We endeavour to make a positive contribution, particularly to underprivileged communities by supporting a range of socio-economic, educational and health initiatives, and adopting a need profile analysis and implementing sustainable social development projects.

In Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2023, we incurred ₹ 13.96 crore, ₹ 27.67 crore, ₹ 16.26 crore and ₹ 2.67 crore, respectively, towards CSR activities. Some of the key CSR initiatives undertaken by us are as follows:

- Promoting preventive health care preventive health care services;
- natural disaster relief;
- rural development through camps in the vicinity of our manufacturing plants; and
- Plantation and maintenance activities.

Properties

Our Registered Office, located at "Trinity Tower", 83, Topsia Road, 7th Floor, Kolkata 700 046, West Bengal, India, is owned by us. Further, our Corporate Office, located at "Viswakarma Building", 86C Topsia Road, 1st floor, Kolkata – 700046, West Bengal, India, is leased to us by our Promoter. Our manufacturing plants are located on land that is either owned or leased to us. We also have liaison offices at Bhubaneshwar, Bhadrak and Gurugram, which we have acquired on a leasehold basis. In addition, we have various guest houses in Raniganj, Jamuria and Sambalpur, which are owned/ leased by us. Further, for operational purposes, our employees are based out of and we conduct operations from offices located in multiple jurisdictions and offices.

Also see, "*Risk Factors – Our business operations are being conducted on owned and leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations. Further, any failure or delay in the acquisition of land or an inability to acquire land at acceptable costs or on commercially reasonable terms may adversely affect our business, results of operations and financial condition*." on page 48.

ORGANISATIONAL STRUCTURE

Corporate history

Our Company was originally incorporated as Shyam DRI Power Limited on December 10, 2002, at Kolkata, West Bengal, India as a public limited company under the Companies Act, 1956 and received the certificate for commencement of business from RoC on December 11, 2002. Subsequently, the name of our Company was changed to Shyam Metalics and Energy Limited, *vide* a special resolution passed by the Shareholders on November 23, 2009, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 5, 2010.

Changes in Registered Office

The Registered Office of our Company changed from 29, Ganesh Chandra Avenue, 1st Floor, Kolkata – 700 013 to Trinity Tower, 7th Floor, 83, Topsia Road, Kolkata – 700046 for operational convenience and for running the business operations from the administrative office of the Company.

Our Subsidiaries

As on date of this Preliminary Placement Document, our Subsidiary are as below:

(i) Meadow Housing Private Limited;
(ii) Nirjhar Commodities Private Limited;
(iii) Platinum Minmet Private Limited;
(iv) S. S. Natural Resources Private Limited;
(v) Shree Sikhar Iron & Steel Private Limited;
(vi) Shree Venkateshwara Electrocast Private Limited;
(vii) Shyam Energy Limited;
(viii) Ramsarup Industries Limited;
(ix) Shyam Metalics Flat Product Private Limited;
(x) Shyam Metalics International DMCC
(xi) Shyam SEL and Power Limited;
(xii) Taurus Estates Private Limited; and
(xiii) Whispering Developers Private Limited;

Our Associates

As on the date of this Preliminary Placement Document, our Associates are as below:

(i) Meghana Vyapaar Private Limited; and
(ii) Kolhan Complex Private Limited

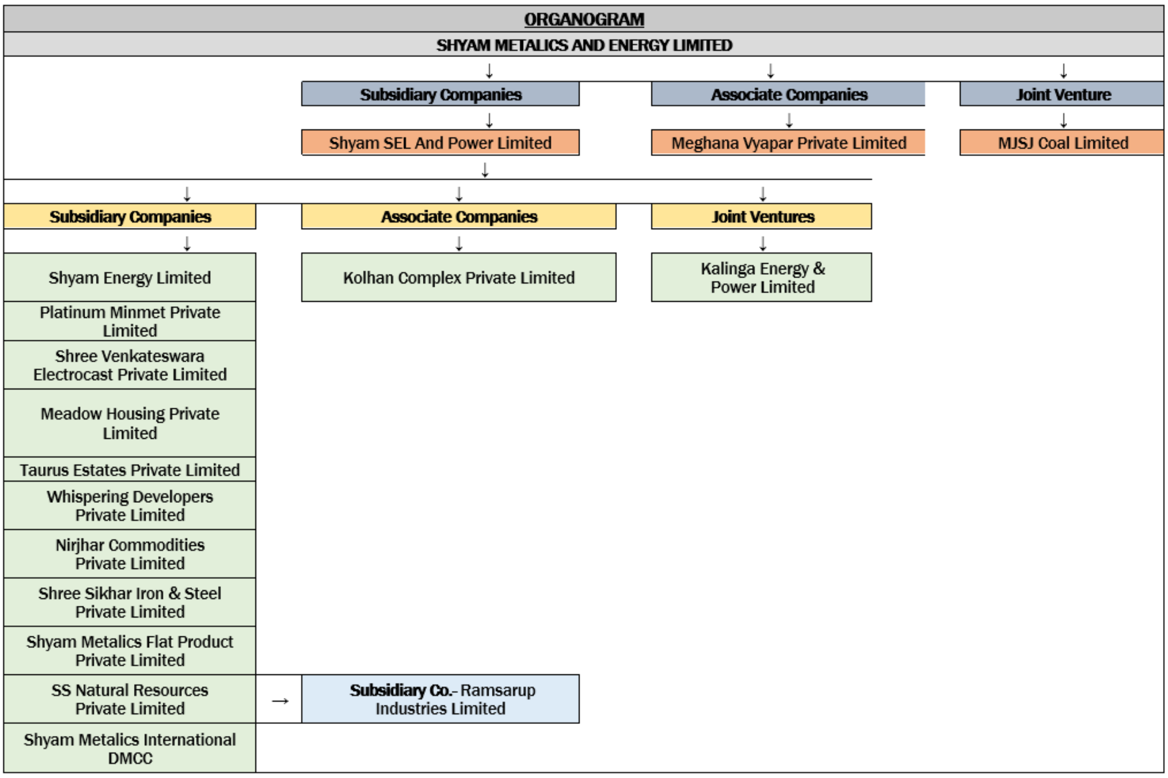
Our Joint Venture

As on the date of this Preliminary Placement Document, our Joint Ventures are as below:

(i) Kalinga Energy & Power Limited; and
(ii) MJSJ Coal Limited

Organisational Structure

The organisational structure of our Company as on this Preliminary Placement Document is as follows:



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, unless otherwise determined by our Company in general meeting, our Company is authorised to have a minimum of three (03) Directors and a maximum of fifteen (15) Directors.

As on the date of this Preliminary Placement Document, our Company has 12 Directors on its Board, comprising of five Executive Directors, seven Non-Executive Directors which further includes six Non-Executive Independent Directors. Our Company has one women Director.

The following table sets forth details regarding the Board at the date of this Preliminary Placement Document:

Name, address, occupation, nationality, current term and DIN	Age (years)	Designation
Mahabir Prasad Agarwal ***Address:*** Shree Kunj, 14B, Alipore Park Road, Alipore, Kolkata – 700 027, West Bengal, India ***Occupation:*** Business ***Nationality:*** Indian ***Current Term:*** Commencing from April 6, 2018, liable to retire by rotation ***DIN:*** 00235780	77	Chairman
Brij Bhushan Agarwal ***Address:*** Shree Kunj, 14B, Alipore Park Road, Alipore, Kolkata – 700 027, West Bengal, India ***Occupation:*** Business ***Nationality:*** Indian ***Current Term:*** Five years commencing from October 1, 2019 ***DIN:*** 01125056	51	Vice Chairman and Managing Director
Sanjay Kumar Agarwal ***Address:*** PS Astoria, 12A, Sarojini Naidu Sarani, Flat 13A. Kolkata – 700017, West Bengal, India ***Occupation:*** Business ***Nationality:*** Indian ***Current Term:*** Five years commencing from April 1, 2022, liable to retire by rotation ***DIN:*** 00232938	47	Joint Managing Director
Deepak Agarwal ***Address:*** 33A, Chandra Nath Chatterjee Street, Flat – 1A, North Block, Kolkata – 700 025, West Bengal, India ***Occupation:*** Service ***Nationality:*** Indian ***Current Term:*** Five years commencing from July 14, 2019, liable to retire by rotation	49	Whole-time Director and Chief Financial Officer

Name, address, occupation, nationality, current term and DIN	Age (years)	Designation
DIN:00560010		
Dev Kumar Tiwari ***Address:*** Sarswati Vihar Ambira Nagar, Ainthapali, Sambalpur – 768 004, Odisha, India ***Occupation**:* Service ***Nationality**:* Indian ***Current Term**:* Five years commencing from April 1, 2022, liable to retire by rotation ***DIN**:* 02432511	52	Whole-time Director
Sheetij Agarwal ***Address:*** Shree Kunj, 14B Alipore Park Road, Alipore, Kolkata – 700027 ***Occupation:*** Business ***Nationality:*** Indian ***Current Term:*** Five years commencing from November 10, 2023 ***DIN:*** 08212992	25	Wholetime Director*
Yudhvir Singh Jain ***Address**:* P-13, MIG Flats, Prasad Nagar, New Delhi – 110 005, India ***Occupation**:* Professional ***Nationality**:* Indian ***Current Term**:* Five years commencing from January 16, 2023 ***DIN**:* 06507365	71	Independent Director
Kishan Gopal Baldwa ***Address**:* 27/1A, Harish Mukherjee Road, F. No. 4C, Kolkata – 700 025, West Bengal, India ***Occupation**:* Chartered Accountant in practice ***Nationality**:* Indian ***Current Term**:* Five years commencing from May 15, 2023 ***DIN***:01122052	71	Independent Director
Rajni Mishra ***Address:*** Rabindrapally, Maheshtala, Santoshpur (M), South 24 Parganas, West Bengal – 700142 ***Occupation:*** Service ***Nationality:*** Indian ***Current Term:*** Five years commencing from February 12, 2021 ***DIN:*** 07706571	36	Independent Director
Malay Kumar De ***Address:*** EE – 188, Flat No – 1, Sector-II, Bindhannagar(M), North 24, Parganas, West Bengal – 700091	63	Independent Director

Name, address, occupation, nationality, current term and DIN	Age (years)	Designation
Occupation: Retired IAS Officer ***Nationality:*** Indian ***Current Term:*** Five years commencing from July 27, 2023 ***DIN:*** 00117655		
Nand Gopal Khaitan ***Address:*** 3, Queens Park, Ballygunge, Kolkata, West Bengal – 700019 ***Occupation:*** Advocate ***Nationality:*** Indian ***Current Term:*** Five years commencing from February 14, 2023 ***DIN:*** 00020588	72	Independent Director
Shashi Kumar ***Address:*** 5 RC, Rukmani Parasmani, 92/1 Moulana Abdul Kalam Azad Sarani, Kolkata - 700054 ***Occupation:*** Business ***Nationality:*** Indian ***Current Term:*** Five years commencing from September 21, 2023 ***DIN:*** 00116600	77	Independent Director

** Subject to approval of our Shareholders at the next annual general meeting*

Brief profiles of our Directors

Mahabir Prasad Agarwal is the Non-Executive Chairman of our Company. He has been a Director of our Company since April 6, 2018. He is the founder of, and has been a director of, our Subsidiary, SSPL, since its inception and is one of the initial shareholders of our Company. He is actively involved in the CSR activities of our Company and our Subsidiary, SSPL. He has over three decades of experience in the steel and ferro alloys industry.

Brij Bhushan Agarwal is the Vice Chairman and Managing Director of our Company. He has been a Director of our Company since its inception in December, 2002. He holds a bachelor's degree in commerce from University of Calcutta. He is also the Managing Director of our Subsidiary, SSPL, and has been a director of SSPL since its inception. He has over three decades of experience in the steel and ferro alloys industry. He is primarily responsible for strategic planning, future expansion, business development, marketing, human resources and corporate affairs of our Company.

Sanjay Kumar Agarwal is the Joint Managing Director of our Company. He has been a Director of our Company since its inception in December, 2002. He holds a bachelor's degree in commerce, with honours, from the University of Calcutta. He has over 17 years of experience in the steel and ferro alloys industry. He is primarily responsible for the operations of our manufacturing plants at Sambalpur, Jamuria and Mangalpur, with focus on cost control, production efficiency and competitive procurement of raw material.

Deepak Agarwal is a Whole-Time Director and the Chief Financial Officer of our Company. He has been a Director of our Company since July 14, 2014. He holds a bachelor's degree in commerce, with honours, from University of Calcutta. He is also an associate member of the Institute of Company Secretaries of India. He has previously been associated with Shyam SEL and Power Limited since 2000 and has two decades of experience in the steel and ferro alloys industry. He is responsible for handling the finance, risk management and corporate affairs of our Company and its Subsidiaries.

Dev Kumar Tiwari is a Whole-Time Director of our Company. He has been a Director of our Company since April 10, 2009. He holds a bachelor's degree in arts (honours) from Bihar University, Muzaffarpur. Prior to his appointment as Director, he was a mechanical engineer in our Subsidiary, SSPL for 7 years. He has over 25 years of experience in the steel and ferro alloys industry. He is responsible for project implementation and operations of our Sambalpur manufacturing plant.

Sheetij Agarwal is a Whole-Time Director of our Company. He has been a Director of our Company since November 10, 2023. He holds a bachelor's degree in science for business administration from D'Amore Mckim School of Business, Northeastern University. He oversees strategy and business development at our Company. He also manages the aluminium plant at Pakuria, West Bengal. He is primarily responsible for establishment of Company's footprint in the domestic market and over 40 international markets.

Yudhvir Singh Jain is an Independent Director of our Company. He has been a Director of our Company since January 16, 2018. He holds a bachelor's degree in science, with honours, from University of Delhi, and a bachelor's degree in law from Delhi University. He was previously associated with Corporation Bank for 34 years, and retired as a general manager.

Kishan Gopal Baldwa is an Independent Director of our Company. He has been a Director of our Company since May 15, 2018. He holds a bachelor's degree in commerce from University of Rajasthan. He has been a fellow member of the Institute of Chartered Accountants of India for the past 38 years and has obtained a certificate of practise from the Institute of Chartered Accountants of India.

Rajni Mishra is an Independent Director of our Company. She has been a Director of our Company since February 12, 2021. She holds a bachelor's degree from Calcutta University in Botany, and a master's degree in business administration from the West Bengal University of Technology. She is also an associate of the Institute of Company Secretaries of India.

Malay Kumar De is an Independent Director of our Company. He has been a Director of our Company since July 27, 2023. He holds a masters' in science degree in organic chemistry from University of North Bengal, Siliguri. He is a retired IAS officer and retired on September 30, 2019 from the post of Chief Secretary, West Bengal.

Nand Gopal Khaitan is an Independent Director of our Company. He has been a Director of our Company since February 14, 2023. He is registered as an advocate with the bar council of West Bengal since June 20, 1974. He is currently a partner at Khaitan & Co.

Shashi Kumar is an Independent Director of our Company. He has been a Director of our Company since September 21, 2023. He holds a bachelor's degree in science from Patna University and also holds a bachelor's degree in science (honours) from Mining Engineering from Indian School of Mines, Dhanbad, Ranchi University. Prior to joining our Company, he was associates with Coal India Limited as chairman. He is also currently a director on the board of Godawari Power and Ispat Limited, Indian Mining Consultancy Private Limited, Develecto Mining Limited, Khargra Joydev Resources Private Limited and Matangi Enterprises Private Limited.

Relationship between Directors

Except as state below, none of the Directors on our Board are related to each other:

Sr. No	Name of Director	Relationship
1.	Mahabir Prasad Agarwal	Father of Brij Bhushan Agarwal
2.	Brij Bhushan Agarwal	Son of Mahabir Prasad Agarwal
3.	Sanjay Kumar Agarwal	Cousin of Brij Bhushan Agarwal
4.	Sheetij Agarwal	Son of Brij Bhushan Agarwal

Borrowing powers of our Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on June 11, 2018, provided that the total amount of money/monies so borrowed by our Board shall not at any time exceed the limit of ₹ 4,500 crore.

Interest of our Directors

All our Directors may be deemed to be interested to the extent of the remuneration, fees and compensation payable to them for attending meetings of our Board or committees thereof, commission as well as to the extent of reimbursement of expenses payable to them.

All of our Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, their relatives or the companies, firms and trust, in which they are interested as directors, members, partners, and trustees.

Except as provided in the section entitled "*Related Party Transactions*" beginning on page 89, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see section entitled "*Related Party Transactions*" beginning on page 89.

Shareholding of Directors

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as set out below, none of our Directors hold any Equity Shares in our Company as on the date of this Preliminary Placement Document:

Sr. No.	Name	Designation	Number of Equity Shares	Percentage of issued and paid-up capital (%)
1.	Brij Bhushan Agarwal	Vice Chairman and Managing Director	23,284,820	9.13
2.	Sanjay Kumar Agarwal	Joint Managing Director	31,580	0.01
3.	Mahabir Prasad Agarwal	Chairman	2,525	0.00
4.	Yudhvir Singh Jain	Independent Director	100	0.00
5.	Kishan Gopal Baldwa	Independent Director	200	0.00
6.	Deepak Agarwal	Whole-time Director	3,420	0.00

Terms of Appointment of our Directors

a) Terms of employment of our Executive Directors

Brij Bhushan Agarwal

Brij Bhushan Agarwal has been a director of the Company since its incorporation. He was last re-appointed as Managing Director of our Company for a term of five years with effect from October 1, 2019, pursuant to a Board resolution dated June 11, 2019. The Shareholders have approved his re-appointment and remuneration pursuant to Shareholders resolution dated September 26, 2019. Subsequently the Board, pursuant to the resolution dated June 11, 2019, has approved the re-appointment of Brij Bhushan Agarwal as Vice Chairman and Managing Director. The details of remuneration governing his appointment (as per the agreement dated October 1, 2019, entered into between our Company and Brij Bhushan Agarwal) are stated below:

Particulars	Remuneration
Remuneration	Between ₹ 4.50 crore to ₹ 9.00 crore per annum, with effect from October 1, 2019, which may be reviewed by the Board.
Benefits	Other perquisites as per Company rules including (i) reimbursement of expenses incurred by him in purchase of newspaper, magazines, books and periodicals in accordance with the Company policy; (ii) reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy; (iii) reimbursement of any other expenses properly incurred by him in accordance with rules and policies of the Company

Particulars	Remuneration
Remuneration	Between ₹ 4.50 crore to ₹ 9.00 crore per annum, with effect from October 1, 2019, which may be reviewed by the Board.
	and (iv) provision of chauffeur driven car for the use on Company's business, meal coupons and telephone at residence.

Sanjay Kumar Agarwal

Sanjay Kumar Agarwal was appointed as Director pursuant to a Board resolution dated December 11, 2002. He is also the Joint Managing Director of our Company. He was last re-appointed for a term of five years with effect from April 1, 2022 pursuant to a Board resolution dated March 15, 2022. The Shareholders have approved his re-appointment and re-designation as Joint Managing Director and remuneration pursuant to Shareholders resolution dated June 7, 2022.The details of remuneration governing his appointment (as per the agreement dated March 15, 2022 entered into between our Company and Sanjay Kumar Agarwal) are stated below:

Particulars	Remuneration
Remuneration	Up to ₹ 2.00 crore with effect from April 1, 2022, which may be reviewed by the Board.
Benefits	Other perquisites as per Company rules including (i) reimbursement of expenses incurred by him in purchase of newspaper, magazines, books and periodicals in accordance with the Company policy; (ii) reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy; (iii) reimbursement of any other expenses properly incurred by him in accordance with rules and policies of the Company and (iv) provision of chauffeur driven car for the use on Company's business, meal coupons and telephone at residence.

Deepak Agarwal

Deepak Agarwal has been a director of the Company since July 14, 2014 and was last re-appointed as whole time Director pursuant to a Board resolution dated June 11, 2019, for a period of five years commencing from July 14, 2019. The Shareholders have approved his appointment and remuneration pursuant to Shareholders resolution dated September 26, 2019. The details of remuneration governing his appointment are stated below (as per the agreement dated July 14, 2019, entered into between our Company and Deepak Agarwal):

Particulars	Remuneration
Remuneration	Between ₹ 0.35 crore to ₹ 1.00 crore per annum, with effect from July 14, 2019, which may be reviewed by the Board
Benefits	Other perquisites as per Company rules including (i) reimbursement of expenses incurred by him in purchase of newspaper, magazines, books and periodicals in accordance with the Company policy; (ii) reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy; (iii) reimbursement of any other expenses properly incurred by him in accordance with rules and policies of the Company; (iv) provision of chauffeur driven car for the use on Company's business, meal coupons and telephone at residence and (v) the Whole Time Director shall be entitled to such increment from time to time as the Board may by its discretion determine.

Dev Kumar Tiwari

Dev Kumar Tiwari was appointed as additional Director pursuant to a Board resolution dated April 10, 2009. He was last re-appointed for a term of five years with effect from April 1, 2022 and was re-designated as a whole-time Director pursuant to a Board resolution dated March 15, 2022. The Shareholders have approved his re-appointment and re-designation as whole-time Director and remuneration pursuant to Shareholders resolution dated June 7, 2022. The details of remuneration governing his appointment (as per the agreement dated March 15, 2022 entered into between our Company and Dev Kumar Tiwari) are stated below:

Particulars	Remuneration
Remuneration	Up to ₹ 0.50 crore with effect from April 1, 2022, which may be reviewed by the Board.
Benefits	Other perquisites as per Company rules including (i) reimbursement of expenses incurred by him in purchase of newspaper, magazines, books and periodicals in accordance with the Company policy; (ii) reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy; (iii) reimbursement of any other expenses properly incurred by him in accordance with rules and policies of the Company; (iv) provision of chauffeur driven car for the use on Company's business, meal coupons and

Particulars	Remuneration
	telephone at residence and (v) the Whole Time Director shall be entitled to such increment from time to time as the Board may by its discretion determine.

Sheetij Agarwal

Sheetij Agarwal was appointed by the Board of Directors as Wholetime Director of the Company for a term of five years with effect from November 10, 2023, subject to the approval of the Shareholders. The details of remuneration governing his appointment (as per the agreement dated November 10, 2023 entered into between our Company and Sheetij Agarwal) are stated below:

Particulars	Remuneration
Remuneration	Up to ₹ 2.00 crores and variable incentive not exceeding ₹ 1.00 crore with effect from November 10, 2023, which may be reviewed by the Board
Benefits	Other perquisites as per Company rules including (i) coverage for Hospitalisation, Life and Accident Insurance in line with the applicable company policy; (ii) Reimbursement of actual travelling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time; (iii) Reimbursement of expenses on mobile phone and internet; (iv) Other out of pocket expenditures as may be incurred on actual basis.

b) Sitting fees and commission to the Non-Executive Directors

Our Company has pursuant to Board resolutions dated April 6, 2018 and May 4, 2021 fixed the sitting fees payable to our non-executive Directors, in addition to re-imbursement of actual expenses incurred by the Director in attending the meeting at ₹ 25,000 per meeting for attending meetings of our Board, and ₹ 15,000 per meeting of committees of the Board thereof.

Our Company does not pay any remuneration to our non-executive and Independent Directors as an annual remuneration/ commission.

The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses, if any, are borne by our Company, from time to time.

Payment or benefit to Directors

Remuneration paid to Executive Directors

The details of the remuneration (including salaries, commission and perquisites) paid to our Executive Directors by our Company for the six months ended September 30, 2023, and Fiscals 2023, 2022 and 2021 are set forth in the table below:

(in ₹ crore)

Name	Six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Brij Bhushan Agarwal	1.20	2.25	2.25	1.88
Sanjay Kumar Agarwal	0.30	0.45	0.45	0.38
Deepak Agarwal	0.27	0.46	0.40	0.35
Dev Kumar Tiwari	0.21	0.43	0.31	0.18
Sheetij Agarwal*	NIL	NIL	NIL	NIL

**Appointed with effect from November 10, 2023*

The details of the remuneration (including salaries, commission and perquisites) paid to our Executive Directors by our Material Subsidiary, SSPL, for the six months ended September 30, 2023, and Fiscals 2023, 2022 and 2021 are set forth in the table below:

(in ₹ crore)

Name	Six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Brij Bhushan Agarwal	1.20	2.25	2.25	2.25
Sanjay Kumar Agarwal	0.30	0.45	0.45	0.45

Remuneration paid to Non-Executive Directors

The details of the remuneration (which includes sitting fees and commission) paid by our Company to Non-Executive Directors, including Independent Directors, for the six months ended September 30, 2023, and Fiscals 2023, 2022 and 2021 are set forth in the table below:

(in ₹ crore)

Name	Six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Mahabir Prasad Agarwal	NIL	NIL	NIL	NIL
Yudhvir Singh Jain	0.02	0.02	0.03	NIL
Kishan Gopal Baldwa	0.02	0.01	0.03	NIL
Rajni Mishra	0.00	0.01	0.02	NIL
Nand Gopal Khaitan*	0.00	0.00	NIL	NIL
Malay Kumar De^	NIL	NIL	NIL	NIL
Shashi Kumar#	NIL	NIL	NIL	NIL

**Appointed with effect from February 14, 2023*
^ Appointed with effect from July 27, 2023
 # Appointed with effect from September 21, 2023

The details of the remuneration (which includes sitting fees and commission) paid by our Material Subsidiary, SSPL, to Non-Executive Directors, including Independent Directors, for the six months ended September 30, 2023, and Fiscals 2023, 2022 and 2021 are set forth in the table below:

(in ₹ crore)

Name	Six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Mahabir Prasad Agarwal	0.45	0.60	0.60	0.60
Yudhvir Singh Jain	NIL	0.01	NIL	NIL
Malay Kumar De^	NIL	NIL	NIL	NIL

^ Appointed with effect from July 27, 2023

Key Managerial Personnel and Senior Management Personnel

In addition to our Vice Chairman and Managing Director, Brij Bhushan Agarwal, Joint Managing Director, Sanjay Kumar Agarwal, Whole-time Director and Chief Financial Officer, Deepak Agarwal and Whole-time Director Dev Kumar Tiwari, whose details are set out in *"Board of Directors and Senior Management – Brief profiles of our Directors"* on page 218, the brief profile of our Key Managerial Personnel and Senior Management Personnel are given below:

Sr. No.	Name	Designation
Key Managerial Personnel		
1.	Birendra Kumar Jain	Company Secretary and Compliance Officer
Senior Management		
1.	Bikaram Munka	Director on the board of directors of our Subsidiary, SSPL
2.	Sumit Chakraborty	Director on the board of directors of our Subsidiary, SSPL and General Manager (Human Resources)
3.	Abhishek Jalan	Chief financial officer of our Subsidiary, SSPL
4.	Ajay Gupta	General Manager (Finance & Accounts) of our Subsidiary, SSPL
5.	Deepakk Goyal	Business Development Officer
6.	Aneesh Mishra	Senior Vice President

Birendra Kumar Jain is the Company Secretary and Compliance Officer of our Company and has been associated with our Company since April 6, 2018. He holds a bachelor's degree in commerce from the University of Calcutta. He is also a member of the Institute of Company Secretaries of India. He has over two decades of experience as a company secretary. Prior to joining our Company, he was associated with VSP Udyog Private Limited and Century Plyboards India Limited. During Fiscal 2023, he was paid compensation of ₹ 0.16 crore.

Bikram Munka is a director on the board of directors of our Subsidiary, SSPL, and has been associated with our Company and our Subsidiary since April 6, 2018. He holds a bachelor's degree in commerce from the University of Calcutta. He has over a decade of experience in the field of marketing of steel and ferro products. He currently heads the project division of our Company and of our Subsidiary, SSPL. He has been associated with SSPL since 2000. During Fiscal 2023, he was paid compensation of ₹ 0.25 crore.

Sumit Chakraborty is a director on the board of directors of our Subsidiary, SSPL and General Manager (Human Resources) of our Subsidiary, SSPL, and has been associated with our Company and our Subsidiary since October 1, 2010. He holds a bachelor's degree in science from University of Calcutta, a post graduate diploma in personnel management from Annamalai University and has completed the masters program in business administration from Indian School of Business Management and Administration. He has also completed a course on applied managerial economics from Jadavpur University and a certificate course on information technology from CMC Limited. He has over 11 years of experience in human resources and personnel administration. Prior to joining SSPL, he was associated with Transafe Services Limited and CERATIZIT India Private Limited. During Fiscal 2023, he was paid compensation of ₹ 0.24 crore.

Abhishek Jalan is the chief financial officer of our Subsidiary, SSPL, has been associated with our Company and our Subsidiary since February 21, 2021. He holds a bachelors degree in commerce from University of Calcutta. He is also an associate member of the Institute of Chartered Accountants of India. He currently heads the finance, accounts and taxation division of our Company and of our Subsidiary, SSPL. Prior to joining our Company, he was associated with Rungta Mines Limited, Bengal Energy Limited as officer – finance and accounts, Glaze Infrastructure Private Limited as the manager – finance and accounts, Rashmi Metaliks Limited, Park Plaza Kolkata Ballygunge. During Fiscal 2023, he was paid compensation of ₹ 0.31 crore.

Ajay Kumar Gupta is a General Manager (Finance & Accounts) of our Subsidiary, SSPL, and has been associated with our Company and our Material Subsidiary since September 25, 2018. He is an associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He currently heads the legal division of our Company and of our Subsidiary, SSPL. Prior to joining our Company and our Subsidiary, he was associated with Amrit Feeds Limited. During Fiscal 2023, he was paid compensation of ₹ 0.29 crore.

Deepakk Goyal is a Chief Business Development Officer of our Company and has been associated since July 18, 2022. He was also associated as a director of our Company from March 1, 2008 to September 9, 2009. He holds a bachelors degree in science for Electrical Engineering from the University of Rochester. He is also holds a post graduate diploma in management from the Indian Institute of Management Bangalore. He is currently evaluating and building new businesses, identifying appropriate technology providers, engaging with potential JV partners, managing key relationships, building sustainable investment thesis, developing the project team and executing the project, working on multiple projects of our Company and of our Subsidiary, SSPL. During Fiscal 2023, he was paid compensation of ₹ 0.36 crore.

Aneesh Mishra is a Senior Vice President of our Company and has been associated with our Company and our Material Subsidiary since August 6, 2021. He currently heads the Marketing division of our Company and of our Subsidiary, SSPL. Prior to joining our Company, he was associated with SKS Ispat and Power Limited. During Fiscal 2023, he was paid compensation of ₹ 0.30 crore.

Relationship of Key Managerial Personnel and Senior Management Personnel

Except as disclosed in *"Board of Directors and Senior Management Personnel – Relationship between Directors"* on page 220, none of our Key Managerial Personnel and Senior Management Personnel are related to each other.

Shareholding of Key Managerial Personnel and Senior Management Personnel

Except as disclosed below and in *"– Shareholding of Directors*" on page 221, as of the date of this Preliminary Placement Document, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

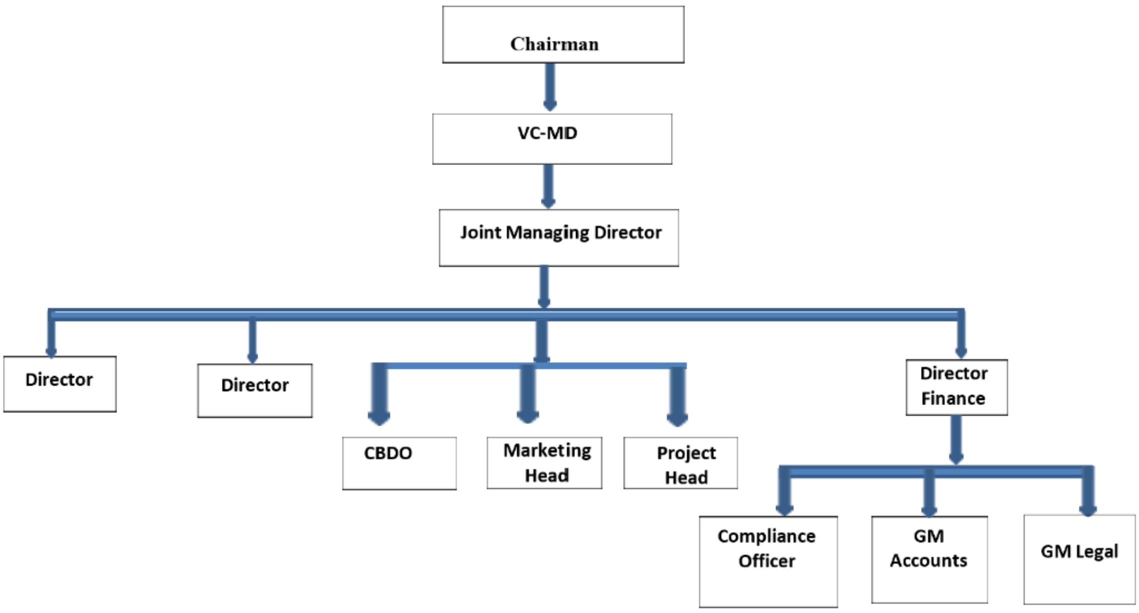
Interest of our Key Managerial Personnel and Senior Management Personnel

Except as stated below and in the section entitled "*Related Party Transactions*" beginning on page 89, our Key Managerial Personnel and Senior Management Personnel do not have any other interest in our Company or its business.

The Key Managerial Personnel and Senior Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependants in our Company, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Except as disclosed in "*Board of Directors and Senior Management – Terms of employment of our Executive Directors*" on page 221, our Company does not have any bonus or profit-sharing plan with its Directors or Key Managerial Personnel or Senior Management Personnel.

Management organization chart



Corporate governance

The Board of Directors presently consists of 12 Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has six Independent Directors including one women Director. Our Company is in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the Companies Act and SEBI Listing Regulations.

Committees of the Board of Directors

The Board of Directors have constituted committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations. The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Committee	Members
Audit Committee	1. Kishan Gopal Baldwa (Chairman) 2. Rajni Mishra (Member) 3. Sanjay Kumar Agarwal (Member) 4. Yudhvir Singh Jain (Member)
Nomination and Remuneration Committee	1. Kishan Gopal Baldwa (Chairman) 2. Yudhvir Singh Jain (Member) 3. Mahabir Prasad Agarwal (Member)
Stakeholders' Relationship Committee	1. Yudhvir Singh Jain (Chairman) 2. Sanjay Kumar Agarwal (Member) 3. Rajni Mishra (Member)
Corporate Social Responsibility Committee	1. Mahabir Prasad Agarwal (Chairman) 2. Brij Bhushan Agarwal (Member)

Committee	Members
	3. Rajni Mishra (Member)
Risk Management Committee	1. Kishan Gopal Baldwa (Chairman) 2. Brij Bhushan Agarwal (Member) 3. Deepak Agarwal (Member) 4. Yudhvir Singh Jain (Member)

Other confirmations

Except as disclosed in this Preliminary Placement Document, and except to the extent of shareholding in our Company, our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

All Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel do not intend to subscribe to the Issue and will not participate in the Issue.

Neither our Company, nor any of our Directors or Promoters have been categorized as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the Reserve Bank of India. Further, none of our Company, Directors or Promoters have been categorised as a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any offence under any order or direction made by SEBI.

None of our Directors or Promoters have been declared as a Fugitive Economic Offender.

As on the date of this Preliminary Placement Document, there are no outstanding stock option plan or scheme.

Policy on disclosures and internal procedure for prevention of insider trading

Chapter IV of the SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement codes of fair disclosure and conduct for the prevention of insider trading. In compliance with the SEBI Regulation on Prohibition of Insider Trading, the Company has in place a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Insiders. These afore-mentioned Codes are posted on the website of the Company at the link: www.shyammetalics.com/wp-content/uploads/2021/08/SMEL_Policy-Doc_PIT.pdf

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on September 30, 2023 is set forth below:

Table I - Summary Statement holding of specified securities:

Category of shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Locked in Shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total shares held (b)	
(A) Promoter & Promoter Group	15	20,81,94,565	208,194,565	81.62	208,194,565	81.62	51,016,140	24.50	208,194,565
(B) Public	130,003	45,792,837	45,792,837	17.95	45,792,837	17.95	-	0.00	45,792,837
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	0.00	-
(C2) Shares held by Employee Trust	1	1,093,286	1,093,286	0.43	1,093,286	0.43	-	0.00	1,093,286
(C) Non-Promoter-Non-Public	1	1,093,286	1,093,286	0.43	1,093,286	0.43	-	0.00	1,093,286
Grand Total	**130,019**	**255,080,688**	**255,080,688**	**100.00**	**255,080,688**	**100.00**	**51,016,140**	**20.00**	**255,080,688**

Note: C=C1+C2
Grand Total=A+B+C

Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Locked in shares		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	Class eg: X	No.(a)	
A1) Indian										
Individuals/Hindu undivided Family		9	26,840,175	26,840,175	10.52	26,840,175	10.52	-	0.00	26,840,175
Brij Bhushan Agarwal & Sons (HUF)	Promoter Group	1	2,250,000	2,250,000	0.88	2,250,000	0.88	-	0.00	22,50,000
Brij Bhushan Agarwal	Promoter	1	23,284,820	23,284,820	9.13	23,284,820	9.13	-	0.00	23,284,820
Anita Jhunjhunwala	Promoter Group	1	45,000	45,000	0.02	45,000	0.02	-	0.00	45,000
Sangita Agarwal	Promoter Group	1	45,000	45,000	0.02	45,000	0.02	-	0.00	45,000
Sanjay Kumar Agarwal	Promoter	1	31,580	31,580	0.01	31,580	0.01	-	0.00	31,580
Bajrang Lal Agarwal	Promoter Group	1	2,500	2,500	0.00	2,500	0.00	-	0.00	2,500
Mahabir Prasad Agarwal	Promoter	1	2,525	2,525	0.00	2,525	0.00	-	0.00	2,525
Mittu Agarwal	Promoter Group	1	1,133,750	1,133,750	0.44	1,133,750	0.44	-	0.00	1,133,750
Kirandevi Vimal Agrawal	Promoter Group	1	45,000	45,000	0.02	45,000	0.02	-	0.00	45,000
Any Other (specify)		6	181,354,390	181,354,390	71.10	181,354,390	71.10	51,016,140	28.13	181,354,390
Dorite Tracon (P) Ltd	Promoter	1	14,216,273	14,216,273	5.57	14,216,273	5.57	-	0.00	14,216,273
Narantak Dealcomm Limited	Promoter	1	43,223,170	43,223,170	16.94	43,223,170	16.94	16,016,140	37.05	43,223,170
Kalpataru Housefin And	Promoter	1	21,402,157	21,402,157	8.39	21,402,157	8.39	-	0.00	21,402,157

Trading Private Ltd.										
Toplight Mercantiles Pvt. Ltd.	Promoter	1	698,750	698,750	0.27	698,750	0.27	-	0.00	698,750
Subham Capital Private Limited	Promoter	1	40,785,620	40,785,620	15.99	40,785,620	15.99	17,500,000	42.91	40,785,620
Subham Buildwell Pvt. Ltd.	Promoter	1	61,028,420	61028420	23.93	61,028,420	23.93	17,500,000	28.68	61,028,420
Sub Total A1		15	208,194,565	208,194,565	81.62	208,194,565	81.62	51,016,140	24.50	208,194,565
A2) Foreign										
A=A1+A2		15	208,194,565	208,194,565	81.62	208,194,565	81.62	51,016,140	24.50	208,194,565

Table III - Statement showing shareholding pattern of the Public shareholder:

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Locked in shares		No. of equity shares held in dematerialized form(Not Applicable)
							No.(a)	As a % of total Shares held(b)	
B1) Institutions	0	0	0	0.00	0	0.00	-	0.00	-
B2) Institutions (Domestic)	0	0	0	0.00	0	0.00	-	0.00	-
Mutual Funds/	11	6474077	6474077	2.54	6474077	2.54	-	0.00	6474077
KOTAK EQUITY HYBRID	1	5183404	5183404	2.03	5183404	2.03	-	0.00	5183404
Alternate Investment Funds	5	371324	371324	0.15	371324	0.15	-	0.00	371324
Insurance Companies	3	4095449	4095449	1.61	4095449	1.61	-	0.00	4095449
TATA AIALIFE INSURANCE COMPANY LTD. A/C EMERGING	1	3280596	3280596	1.29	3280596	1.29	-	0.00	3280596
Sub Total B2	20	11077375	11077375	4.34	11077375	4.34	-	0.00	11077375
B3) Institutions (Foreign)	0	0		0.00		0.00	-	0.00	
Foreign Portfolio Investors Category I	28	4174456	4174456	1.64	4174456	1.64	-	0.00	4174456
Foreign Portfolio Investors Category II	2	503244	503244	0.20	503244	0.20	-	0.00	503244
Sub Total B3	30	4677700	4677700	1.83	4677700	1.83	-	0.00	4677700
B4) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00	-	0.00	
B5) Non-Institutions	0	0		0.00		0.00	-	0.00	
Directors and their relatives (excluding independent directors and nominee directors)	1	3420	3,420	0.00	3,420	0.00	-	0.00	3,420
Key Managerial Personnel	0	0	0	0.00	0	0.00	-	0.00	0

Resident Individuals holding nominal share capital up to Rs. 2 lakhs	125119	14842044	14842044	5.82	14842044	5.82	-	0.00	14842044
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	62	4461785	4461785	1.75	4461785	1.75	-	0.00	44,61,785
Non Resident Indians (NRIs)	1367	630449	630449	0.25	630449	0.25	-	0.00	6,30,449
Bodies Corporate	657	8525480	8525480	3.34	8525480	3.34	-	0.00	85,25,480
Any Other (specify)	2747	1574584	1574584	0.62	1574584	0.62	-	0.00	15,74,584
HUF	2741	1566071	1566071	0.61	1566071	0.61	-	0.00	15,66,071
Clearing Members	5	3413	3413	0.00	3413	0.00	-	0.00	3,413
Trust	1	5100	5100	0.00	5100	0.00	-	0.00	5,100
Sub Total B4	129953	30037762	30037762	11.78	30037762	11.78	-	0.00	30037,762
B=B1+B2+B3+B4	130003	45792837	45792837	17.95	45792837	17.95		0.00	4,57,92,837

Notes:
(1) PAN would not be displayed on website of Stock Exchange(s).
(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares.
(3) With respect to the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Table IV - Statement showing shareholding pattern of the Non – Promoters – Non-Public Shareholder:

Category and Name of the Shareholders (I)	No. of shareholders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form (IX)
C1) Custodian/DR Holder	0	0	0	0.00	0
C2) Employee Benefit Trust	1	10,93,286	10,93,286	0.43	10,93,286
C= C1+C2	1	10,93,286	10,93,286	0.43	10,93,286

Note:
1. PAN would not be displayed on website of Stock Exchange(s).
2. The above format needs to disclose name of all holders holding more than 1% of total number of shares
3. With respect to the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in this Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the BRLM. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard.

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" beginning on pages 250 and 260, respectively.

Our Company, the BRLM and its respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

This Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act and other applicable provisions, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, through the mechanism of a QIP wherein , a listed company may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the Shareholders of our Company have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of this Issue including the date of passing the Board resolution, the kind of securities being offered and the price at which they are offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoters or Directors either as part of this Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which this Issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are required to be listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to seek approval of the Shareholders for the above-mentioned special resolution. This is not applicable to such Companies who propose to undertake qualified institutional placement for complying with the minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or shall have withdrawn or abandoned such invitation or offer made by our Company, except as permitted under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), our Company shall prepare and record a list of Eligible QIBs to whom this Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited;

- in accordance with the SEBI ICDR Regulations, securities will be issued, and allotment shall be made only in dematerialized form to the allottees;

- the Promoters and Directors of our Company are not Fugitive Economic Offenders;

- the Promoters and Directors of our Company are not declared as wilful defaulters; and

- the Promoters and Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institutions or consortium, in terms of the RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of our Company's Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated July 27, 2023 and our Shareholders through a special resolution on September 21, 2023, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The Relevant Date mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the Board or the committee of directors duly authorised by the Board of our Company decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of our Company of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the Relevant Date.

The securities must be allotted within 365 days from the date of the Shareholders' resolution approving the QIP, either in one or more tranches and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs. For details of Allotment, see section entitled "*Issue Procedure – Pricing and Allocation*" beginning on page 244.

The Equity Shares issued pursuant to this Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchange and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to this Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹250 crore; and
- five, where the issue size is greater than ₹250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of this Issue. For details of what constitutes "same group" or "common control", see "*Bid Process – Application Form*" on page 241.

Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

This Issue has been authorised and approved by our Board on July 27, 2023 and our Shareholders on September 21, 2023.

Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning this Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S .state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "*offshore transactions*" as defined, and in reliance on, Regulations S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in sections entitled *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions" beginning* on pages 250 and 260, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the BRLM, shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act.

2. **The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by the BRLM, in consultation with our Company, at their sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.**

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLM.

4. Bidders will be required to indicate the following in the Application Form:

    - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

    - number of Equity Shares Bid for;

    - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

    - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to this Issue;

    - equity shares held by the Bidder in our Company prior to this Issue; and

    - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document. A representation that it is outside the United States acquiring the Equity Shares in an "*offshore transaction*" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

    NOTE*: *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single

Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

5. Bidders shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*SHYAM METALICS AND ENERGY LIMITED - QIP ESCROW ACCOUNT*" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in this Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final trading approval from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Provided that upon receipt of the listing and trading approval from the Stock Exchanges, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring proceeds account or any other account as may be mutually agreed between our Company and the Monitoring Agency. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in this Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in *"Issue Procedure – Refunds"* on page 246.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer, and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and any other regulatory filing and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form, whether signed or not, and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with the BRLM determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to this Issue and Allocation. Upon such determination, the BRLM, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding, and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The

Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLM.**

10. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approval in respect of the Equity Shares Allotted pursuant to this Issue.

13. After receipt of the listing approval of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approval from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to this Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in this Issue. Currently, QIBs, who are eligible to participate in this Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

a. alternative investment funds registered with SEBI;

b. Eligible FPIs;

c. insurance companies registered with Insurance Regulatory and Development Authority of India;

d. insurance funds set up and managed by army, navy or air force of the Union of India;

e. insurance funds set up and managed by the Department of Posts, India;

f. multilateral and bilateral development financial institutions;

g. Mutual Funds registered with SEBI;

h. pension funds with minimum corpus of ₹ 25 crore, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;

i. provident funds with minimum corpus of ₹ 25 crore;

j. public financial institutions, as defined under Section 2(72) of the Companies Act, 2013;

k. scheduled commercial banks;

l. state industrial development corporations;

m. the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;

n. venture capital funds registered with SEBI; and

o. systemically important non-banking financial companies

Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning this Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in this Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e., 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in this Issue in certain jurisdictions, see section entitled "*Selling Restrictions*" beginning on page 250.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to this Issue, either directly or indirectly, to any Eligible QIB being a Promoter, or any person related to, the Promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoter:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter group;

(ii) veto rights; or

(iii) a right to appoint any nominee director on the Board of our Company.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company, the BRLM and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in this Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLM who are Eligible QIBs may participate in this Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Bidder will be deemed to have made all the following representations and warranties, acknowledgments and the representations, warranties and agreements made under sections entitled "*Notice to Investors*", "*Representations By Investors*" and "*Selling Restrictions*" beginning on pages 3, 6 and 250, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or members of the Promoter Group or persons related to the Promoters;

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;

5. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to this Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "Proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that disclosure of such details as "Proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to this Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of this Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Bidders acknowledge that no Allocation shall be made to them if the price at which they have Bid for in this Issue is lower than the Issue Price.

14. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in this Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "*offshore transaction*" under Regulation S and is not an affiliate of our Company or the BRLM or a person acting on behalf of such an affiliate.

BIDDERS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLM, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLM, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THIS ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in this Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at the following address:

Name	Address	Contact Person	Website and Email	Phone (Telephone)
ICICI Securities Limited	ICICI Venture House Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025, India	Rupesh Khant/ Harsh Thakkar	**Website:** www.icicisecurities.com **Email:** smel.qip@icicisecurities.com	+91 22 6807 7100

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed and Bidders Bidding in this Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*SHYAM METALICS AND ENERGY LIMITED - QIP ESCROW ACCOUNT*" with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*SHYAM METALICS AND ENERGY LIMITED - QIP ESCROW ACCOUNT*" only for the purposes of (i) adjustment against Allotment of Equity Shares in this Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in this Issue.

Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in this Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in *"Issue Procedure– Refunds"* on page 246.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders, on July 27, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price.

The Relevant Date referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open this Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLM. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLM.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with the BRLM have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLM AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLM, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section entitled "*Notice to Investors*" beginning on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to this Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel this Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to this Issue, our Company shall apply to the Stock Exchanges for listing approval and post receipt of the listing approval from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with this Issue with the RoC within the prescribed timelines under the Companies Act. Provided that upon receipt of the listing and trading approval from BSE, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring proceeds account or any other account as may be mutually agreed between our Company and the monitoring agency.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in this Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or this Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in this Issue or if this Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at such rate and in such manner as prescribed under the Companies Act, 2013. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel this Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approval from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approval or cancellation of this Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing approval of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with this Issue with the RoC, whichever is later. Provided that upon receipt of the listing and trading approval from BSE and NSE, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring proceeds account or any other account as may be mutually agreed between our Company and the monitoring agency.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLM in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see *"Issue Procedure – Bid Process"* and *"Issue Procedure – Refunds"* on pages 241 and 246, respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to this Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to this Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLM shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to this Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The BRLM has entered into the Placement Agreement dated January 2, 2024 with our Company, pursuant to which the BRLM have agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to this Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "*offshore transactions*" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.

Relationship with the BRLM

In connection with this Issue, the BRLM or their affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to this Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLM may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of this Issue and no specific disclosure will be made of such positions. Affiliates of the BRLM may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section entitled "*Off-Shore Derivative Instruments*" beginning on page 13.

From time to time, the BRLM, and their affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiary, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLM and its affiliates and associates.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations the Companies Act and Rule 14 of the PAS Rules.

Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under sections entitled "Notice to Investors" and "Representations by Investors" beginning on pages 3 and 6, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required.

Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

This Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under the section entitled *"Purchaser Representations and Transfer Restrictions"* beginning on page 260.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public.

This Preliminary Placement Document has not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian

Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to our Company and the BRLM that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the BRLM) under this Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. All applications for investment should be received, and any allotments should be made, in each case from outside the Kingdom of Bahrain.

This Preliminary Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally.

The Bahrain Monetary Agency has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "**BVI Company**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

People's Republic of China

This Preliminary Placement Document may not be circulated or distributed in the People's Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People's Republic of China except under applicable laws and regulations of the People's Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Member State"), no Equity Shares have been offered or will be offered pursuant to this Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the BRLM for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require the Issuer or the BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the BRLM and our Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in this Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the BRLM have been obtained to each such proposed offer or resale. Our Company, its directors, the BRLM, their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "FIEA") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This Preliminary Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**").

No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or

(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Sultanate of Oman

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof. This Issue does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of Oman CMA. Additionally, this Preliminary Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Preliminary Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the CMAL) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar.

Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this Preliminary Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Preliminary Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC.

This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**")), (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

- where no consideration is or will be given for the transfer;

- where the transfer is by operation of law;

- as specified in Section 276(7) of the SFA; or

- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and this Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and this Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**").

The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public.

The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person.

This document may only be used by those investors to whom it has been handed out in connection with this Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan.

No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document has not been, and is not intended to be, approved by the UAE Central

Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the UAE or any other authority in any of the free zones established and operating in the UAE.

The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

1. an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and

2. made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLM for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any placement agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled "*Purchaser Representations and Transfer Restrictions*" on page 260.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in this Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see section entitled *"Selling Restrictions"* beginning on page 250.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the BRLM and its respective affiliates shall have any responsibility in this regard.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in "*offshore transactions*" as defined in, and in reliance on, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S) , and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. Further, it acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the BRLM for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold our Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the BRLM liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the BRLM and its respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLM or any of their affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, by-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the Issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. In accordance with the SCRR, our Company is required to achieve at least 25% public shareholding within three years from the date of listing of our Equity

Shares on the Stock Exchanges, in the manner as specified under the SCRR and other applicable laws. This Issue is being undertaken towards meeting such compliance. However, we will not achieve 25% public shareholding post Allotment in this Issue. Subsequently, our Promoters and Promoter Group may be required to dilute their shareholding (in accordance with the methods prescribed under applicable laws) to ensure that our Company achieves 25% public shareholding on or before the timelines as mentioned above. Further, we cannot assure you that our Company will be able to achieve minimum public shareholding within three years from the date of listing of our Equity Shares and failure to comply with the minimum public shareholding requirements may result in certain adverse consequences and may also result in penal action being taken against us and our Promoters.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT + through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders, audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for Promoters, members of the Promoter group, designated person or director in case value of trade exceed monetary threshold of ₹10 lakh over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company is ₹ 4,000,000,000 divided into 400,000,000 Equity Shares of ₹ 10 each. For further information, see section entitled "*Capital Structure*" beginning on page 84. Our issued, subscribed and paid-up share capital as of the date of this Preliminary Placement Document is ₹ 255,080,6880 divided into 255,080,688 Equity Shares of ₹ 10 each. The Equity Shares are listed and traded on BSE and NSE.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of the Directors may declare interim dividend as appear to it be justified by the profits of our Company.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding Financial Years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the Financial Year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of 'he company's paid up share capital as per the most recent audited financial statement of the company.

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalization of reserves and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus ordinary shares, which are similar to stock dividend. These bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

Alteration of share capital

The Articles of Association authorize it to, from time to time, (a) consolidate and divide all or any of its share capital into shares of large amount than its existing shares; (b) sub-divide its share, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (c) cancel any shares, which at the date of the passing of the resolution in that behalf, have not be taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The resolutions whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub- division one or more of such shares shall have some preference or special advantage as regard dividend, capital, voting or otherwise over or as compared with others, subject to provisions of the Companies Act.

General meetings of shareholders

There are two types of general meetings of the shareholders: AGM and EGM.

Our Company must hold its AGM within six months after the expiry of each Fiscal Year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Not less than twenty-one days' notice shall be given of every general meeting of our Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of special business there shall be annexed to the notice a statement complying with provisions of Act. Notice of every meeting of our Company shall be given to every member of our Company, to the Auditors of our Company, and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such persons.

Register of shareholders and record dates

We are obliged to maintain a register of shareholders at our Registered and Corporate Office. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding equity shares and present in person shall have one vote and every person present either as a general proxy on behalf of a holder of equity shares, if he is not entitled to vote in his own right or as a duly authorised representative of a body corporate, shall have one vote. On poll conducted via e-voting or postal ballot, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up equity share capital.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not affected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

Winding-up

In compliance with our Articles of Association, Companies Act, the Insolvency and Bankruptcy Code, 2016, each as amended and to the extent applicable, if our Company is to be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,
The Board of Directors
Shyam Metalics And Energy Limited
83 Topsia Road, Trinity Tower,7th Floor,
Topsia Kolkata-700046
West Bengal, India

Dear Sirs,

Sub: Statement of possible special tax benefits available to Shyam Metalics and Energy Limited (the "Company"), its shareholders and the Material Subsidiaries (as defined hereinbelow), under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VII (18) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('SEBI ICDR Regulations').

This report is issued in accordance with the engagement letter dated August 21, 2023, and addendum to engagement letter dated December 18, 2023.

1. We, M S K A & Associates ("the Firm"), Chartered Accountants, the statutory auditors of the Company hereby confirm that the enclosed statement in the Annexures prepared and issued by the Company (the "**Statement**"), which provides the possible special tax benefits available to the Company and its shareholders under the direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 ,the Customs Tariff Act, 1975 and the Foreign Trade Policy 2015-2020 (which has been extended up to March 31, 2023), each as amended (collectively the "**Indian Taxation Laws**") and the rules, regulations, circulars and notifications issued in connection with the Indian Taxation Laws, each as amended by the Finance Act, 2023 and as applicable to the assessment year 2024-25 relevant to the financial year 2023-24 and to the material subsidiary of the Company, namely Shyam Sel and Power Limited ("**Subsidiary**") identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]. Several of these benefits are dependent on the Company, its shareholders and material subsidiaries as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company, its shareholders, and/or Material Subsidiaries to derive the possible special tax benefits is dependent upon their fulfilling such conditions, if any, which are based on business imperatives the Company, its shareholders, and/or the Material Subsidiaries face in the future, the Company, its shareholders and/or the Material Subsidiaries may or may not choose to fulfil such conditions for availing special tax benefits.

2. This statement of possible special tax benefits is required as per Schedule VII (18) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the Material Subsidiaries, the same would include those benefits as enumerated in the Annexure A and Annexure B. Any benefits under the Indian Taxation Laws other than those specified in the Annexure A and Annexure B are considered to be general tax benefits available to the Company, its shareholders and material subsidiaries, and therefore not covered within the ambit of the Statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Annexure A and Annexure B, have not been examined and covered by the Statement.

3. Our views are based on the existing provisions of law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

4. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company, its shareholders, and the Material Subsidiaries and do not cover any general tax benefits available to them.

5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

6. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Qualified Institutional Placement of equity shares of the Company (the "**Offer**") particularly in view of the fact that certain enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible tax benefits, which an investor can avail and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency. Neither we are suggesting nor advising the investors to invest money based on the statement.

7. We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accounts of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

9. We do not express any opinion or provide any assurance on whether:

   - The Company, its shareholders and/or the Material Subsidiaries will continue to obtain these benefits in the future;
   - The conditions prescribed for availing the benefits have been/would be met; and
   - The revenue authorities/courts will concur with the views expressed herein.

10. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the Material Subsidiaries. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of our partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

11. This Statement is addressed to board of directors of the Company and has been issued at the specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the Preliminary Placement Document ("PPD") and the Placement Document ("PD") (collectively referred to as "**Placement Documents**") in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in the Statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number:105047W

Dipak Jaiswal

Partner
Membership No: 063682
UDIN: 24063682BKATCA6287

Place: Kolkata, India
Date: January 2, 2023

Encl.: Annexure A and Annexure B

ANNEXURE a to the STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sl. No.	Details of tax laws
1	Income Tax Act, 1961 and Income Tax Rules, 1962
2	The Central Goods and Services Tax Act, 2017 / The Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 alongwith the Central Goods and Services Tax Rules, 2017/ the Integrated Goods and Services Tax Rules, 2017 and the applicable State Goods and Services Tax Rules, 2017
3	The Customs Act, 1962, the Customs Tariff Act, 1975 and its relevant Rules
4	The Foreign Trade Policy 2015-20, the Handbook of Procedures and its relevant Rules

List of Material Subsidiaries considered as part of the Statement (Note 1)

1. Shyam Sel And Power Ltd.

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2022) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

For and on behalf of
Shyam Metalics and Energy Limited

(**Authorised Signatory**)
Name: Deepak Agarwal
Designation: Director and Chief Financial Officer

Place: Kolkata, India
Date: January 2, 2023

ANNEXURE B to the STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SHYAM METALICS AND ENERGY LIMITED ('THE COMPANY'), ITS SHAREHOLDERS, AND ITS MATERIAL SUBSIDIARIES UNDER THE DIRECT AND INDIRECT TAXES ("TAX LAWS")

A. Company and its shareholders

Direct Taxation

Outlined below are possible special tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This portion of the statement is as per the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2023 read with the relevant rules, circulars and notifications applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

1. Possible Special income-tax benefits available to the Company

(i) Section 80-IA of the Act provides that where the gross total income of an assessee includes any profits and gains derived by an undertaking or an enterprise from any business that operate in infrastructure, power, telecommunication, and other specified sectors, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business is allowed for ten consecutive assessment years. The Company is eligible to claim deduction under section 80-IA of the Act on profits of Windmill and Railway Siding. The initial assessment year for both the business undertaking of the Company is 2019-20.

(ii) Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under section 80JJAA of the Act, of an amount equal to 30% of additional employee cost (pertaining to specified category of employees) incurred in the course of business in the financial year, for 3 assessment years including the assessment year relevant to the financial year in which such employment is provided. Said deduction shall be available subject to satisfaction of specified conditions.

(iii) As per the provisions of section 80M of the Act, dividend received by the Company from any other domestic company, or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in an Indian subsidiary, it may avail above-mentioned benefit under section 80M of the Act.

(iv) As per section 80G of the Act, in case the Company makes eligible donations, the Company shall be entitled to a deduction of the amount donated. However, in certain cases, the amount of deduction shall be restricted to a lower of 50% of the amount donated or 10% of Gross Total Income.

(v) As per section 115JAA of the Act, where any amount of tax is paid under section 115JB(1) of the Act ie. The Minimum Alternate Tax ('MAT') provisions, by a company for any assessment year beginning on or after 1 April 2006, credit in respect of the taxes so paid for such assessment year shall be allowed to the extent of the difference of the tax paid under section 115JB of the Act and the amount of tax payable by the company on its total income computed in accordance with the other provisions of the Act. As per the Income-tax Return of Assessment Year 2022-23 relevant to Financial Year 2021-22, the Company has MAT credit available for set-off in subsequent assessment years of INR 37,72,19,825/-.

(vi) 115BBG of the Act provides that where the total income of the assessee includes any income from transfer of carbon credit, such income shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess) on the gross amount of such income. Therefore, in case the Company has any income from transfer of Carbon Credits, it shall be eligible for a concessional tax rate of 10%.

2. Possible Special Income-tax Tax Benefits available to the Shareholders of the Company

Resident Shareholders

(i) There are no possible income-tax special tax benefits available to the shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes (arising from sale of equity shares of the Company).

(ii) Section 112A of the Act provides for a concessional rate of tax with effect from April 1, 2019 (i.e. AY 2019-20). Any income, exceeding INR 1,00,000/- arising from the transfer of a long-term capital asset (i.e. capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity-oriented fund wherein Securities Transaction Tax is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.

(iii) Section 111A of the Act provides for a concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of income exemption, where applicable) arising from the transfer of a short term capital asset (i.e., a capital asset held for the period of less than 12 months) being an Equity Share in a company or wherein STT is paid on both acquisition and transfer.

(iv) Separately, any dividend income received by shareholders would be subject to tax deduction at source by the Company under section 194 of the Act @ 10%. However, in the case of individual shareholders, this would apply only in case the dividend income exceeds INR 5,000. Further, dividend income is now taxable in the hands of shareholders.

Non-Resident Shareholders

(i) In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident shareholder has fiscal domicile.

(ii) Apart from the tax benefits available to each class of shareholders as such, there are no possible special income tax benefits available to the shareholders under the provisions of the Act for investing in the shares of the Company.

3. Possible Special Income-tax Tax Benefits available to the material subsidiaries

Section 115BAA of the Income-tax Act, 1961 ('the Act'), as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of MAT would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company may claim such beneficial tax rate in future years subject to giving away any other income-tax benefits under the Act (other than the deduction available under section 80JJAA and 80M of the Act) and fulfilling the then prevailing provisions under the Act.

The material subsidiary of the Company has opted for the concessional tax regime and will pay the taxes at the concessional rate of 22% plus surcharge of 10% and Health & Education Cess of 4%.

Indirect Taxation

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), The Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Customs Tariff Act"), as amended by the Finance Act 2022, Foreign Trade Policy 2015-20 including the relevant rules, regulations, notifications and circulars issued there under, applicable for the Financial Year 2022-23, presently in force in India.

1. Possible Special indirect-tax benefits available to the Company

I. Possible Special Indirect Tax Benefits available under the GST Acts

(i) The Company exports goods without payment of GST under a Letter of Undertaking.
(ii) The said goods are also supplied by the Company in domestic market which attract GST at the prescribed rates.
(iii) The Company is availing the benefit of concessional rate of GST on merchant export transactions under Notification No. 40/ 2017 – Central Tax (Rate) dated October 23, 2017
(iv) Apart from the above, no other possible special Indirect tax benefits by availed by the Company under the GST Acts in India.

II. Possible Special indirect tax benefits available under Customs Act and Customs Tariff Act

(i) The Company has claimed Basic Custom Duty, Social Welfare Cess and Integrated GST exemption during Financial Year 2022-23 with respect to import of certain capital goods for use in manufacture of the specified finished goods, under Notification No. 16/2015 – Customs dated April 01, 2015, pursuant to Export Promotion Capital Goods Scheme (EPCG) scheme in terms of Chapter 5 of the Foreign Trade Policy 2015-20
(ii) The Company has claimed Basic Custom Duty, Social Welfare Cess and Integrated GST exemption during Financial Year 2022-23 with respect to import of certain inputs for use in manufacture of the specified finished goods, under Notification No. 18/2015 – Customs dated April 01, 2015, pursuant to Advance Authorization Scheme in terms of Chapter 4 of the Foreign Trade Policy 2015-20
(iii) The Company has received duty drawback under All Industry Rate (AIR) of Duty Drawback under Section 75 of the Customs Act, 1962 during the Financial Year 2022-23.
(iv) Apart from the above, no other possible special Indirect tax benefits are availed by the Company under the Customs Act and Tariff Act.

III. Possible Special indirect tax benefits available to the Company under Foreign Trade Policy 2015-20

(i) The company has received export benefit in the form of duty credit scrips under 'Merchandise Exports from India Scheme' ('MEIS') during Financial Year 2022-23. The aforesaid scrips are used for payment of Custom Duty on import of goods.
(ii) Apart from the above, no other possible special Indirect tax benefits are availed by the Company under the Foreign Trade Policy.

2. Possible Special Indirect Tax Benefits available to the Shareholders of the Company

The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the 'Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017. Accordingly, transactions in the security of the Company may not attract GST. Apart from above, the shareholders of the Company are not eligible for any possible special tax benefits under the provisions of the GST Acts, Customs Act, Customs Tariff Act, as amended by the Finance Act 2022, Foreign Trade Policy 2015-20 including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement sets out only the possible special tax benefits available under the current provisions of Indian Taxation Laws.

2. The above Statement of possible special tax benefits sets out the provisions of the Indian Taxation Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. The tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

4. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

5. This part A of the statement (Company and its Shareholders) does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders in the country outside India are advised to consult their own advisors regarding possible Income tax consequences applicable to them.

6. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.

7. The above views are based on the existing provisions of Indian Taxation Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of
Shyam Metalics and Energy Limited

(**Authorised Signatory**)
Name: Deepak Agarwal
Designation: Director and Chief Financial Officer

Place: Kolkata, India
Date: January 2, 2023

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes, criminal proceedings, civil proceedings, consumer disputes and regulatory proceedings, which are pending before various adjudicating forums.

*In terms of our Company's "Policy for Determination of Materiality of Events and information for Disclosure to the Stock Exchange" ("**Materiality Policy**") framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Preliminary Placement Document.*

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, Subsidiaries, Promoter and Directors; (ii) all outstanding actions by statutory or regulatory authorities against Company, Subsidiaries, Promoter and Directors; (iii) outstanding civil involving our Company, Subsidiaries, Promoter and Directors, where the amount involved in such proceeding exceeds ₹ 8.48 crore i.e., 1% of the consolidated profit after tax in Fiscal 2023 as per the Audited Consolidated Financial Statements ("**Materiality Threshold**"); (iv) consolidated disclosure of the direct and indirect tax matters involving the Company, Subsidiaries, Promoter and Directors; and (v) any other outstanding litigation involving our Company, Subsidiaries, Promoter and Directors wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company or its Subsidiaries.*

Further, as on the date of this Preliminary Placement Document, other than as disclosed in this section: (i) there is no litigation or legal action, pending or taken, by any ministry or department of the government or a statutory authority against our Promoters during the last three years and no directions have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years against our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years involving our Company or Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon; or (d) loan from any bank or financial institution and interest thereon by our Company; (iv) there are no material frauds committed against our Company in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; and (vii) neither of our Company, Promoters or Directors have been declared as a wilful defaulter or a fraudulent borrower.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoter from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoter, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section

Litigation involving our Company

Litigation against our Company

A. Actions initiated by regulatory or statutory authorities

1. Our Company and one of our Directors received various notices from the Employees' State Insurance Corporation ("**ESIC**") ("**ESI Notices**") for non-payment of contributions and non-submission of returns of contribution under the Employees' State Insurance Act, 1948 ("**ESI Act**"), for periods between July 2010 to November 2013, aggregating to a total payable amount of ₹ 1.90 crore. Subsequently, our Company made an application for exemption from applicability of the ESI Act for the period from July 2010 to May 2014, which was rejected by the Principal Secretary, Odisha, vide letter dated August 21,

2014. By orders of the Deputy Director (Rev-I), ESIC, Regional Office, Odisha, it was ordered that contributions amounting to an aggregate of ₹ 0.67 crore be paid by our Company for the period from July 1, 2010 to March 31, 2011 and December 1, 2013 to July 31, 2014. Our Company has appealed against the order dated January 29, 2018 before the Appellate Authority, ESIC, Regional Office, Odisha. In connection with the same, our Company has filed a writ petitions under Articles 226 and 227 of the Constitution before the High Court of Orissa ("**HC**"), praying *inter alia* to quash the ESI Notices and demands, and to issue a writ to direct the State of Odisha to grant exemption to our Company from applicability of the ESI Act. By order dated July 11, 2017, the HC refused to entertain the writ petition, as the issue regarding exemption is pending in another writ petition and hence redundant for the current matter, and regarding the ESI Notices, the HC directed that our Company may file replies within three weeks.

Our Company has subsequently approached the HC, challenging the letter of the State of Odisha through the Department of Labour and ESI wherein the request of our Company for exemption from the purview of the ESI Act was rejected, and praying *inter alia* to quash such rejection letter.

Our Company has subsequently filed applications before the Court of District Judge-cum-Employees State Insurance Court, Sambalpur against the Deputy Director cum Authorized Officer, Employees State Insurance Corporation, Regional Office, Odisha ("**Respondent**"), and others, seeking declarations that (i) the Order dated November 10, 2017, passed by Respondent assessing ₹ 0.24 crore towards employees state insurance contributions for the period from July 1, 2010 to March 31, 2011, (ii) the Order dated November 13, 2017, passed by Respondent assessing ₹ 0.96 crore towards employees state insurance contributions for the period from April 1, 2011 to November 30, 2013, and (iii) the Order dated January 29, 2018, passed by Respondent assessing ₹ 0.43 crore towards employees state insurance contributions for the period from December 1, 2013 to October 31, 2014, against our Company, be declared illegal, unjustified and quashed. The matters are currently pending.

2. Our Company received a notice dated November 12, 2009 from the South Eastern Railway with reference to our proposal for development of iron ore loading siding. The South Eastern Railway requested our Company to deposit ₹ 5.00 crore as non-refundable registration fees for the private railway siding at Banspani, and to submit an undertaking that we will abide by all the provisions of policy instructions issued, *vide* a freight marketing circular of 2008 ("**Notice I**"). A further notice dated August 3, 2010 was issued by the South Eastern Railway to our Company as no reply was received to Notice I, requesting our Company to inform the office if we are interested to develop the siding ("**Notice II**").

   Our Company has approached the High Court of Calcutta challenging Notice I and Notice II *inter alia* on the ground that the circular of 2008 referred to in the said notices do not apply to our Company as the circular is applicable to applications made subsequent to August 28, 2008 and the detailed project report submitted by our Company to the Railways was approved in December 2007. This matter is currently pending.

3. Our Company has received a notice from the Western Electricity Supply Company of Orissa Limited, Sambalpur ("**WESCO**") dated February 10, 2012, raising a demand of ₹ 22.20 crore for open access charges ("**Demand Notice**"). Our Company has filed a writ petition before the High Court of Orissa ("**HC**") challenging the authority of WESCO to issue the Demand Notice, praying to *inter alia* issue a writ to quash the Demand Notice on the ground, amongst others, that open access charges as per the Electricity Act, 2003 read with the regulations made thereunder are not applicable to our Company as we operate only captive power plants. The HC passed an order dated May 4, 2012, directing that no coercive action be taken against the petitioner, i.e., our Company, until the next date of listing. The matter is currently pending.

B. Outstanding material civil litigation

1. The Registrar (Judicial) O.H.C. filed a writ petition before the High Court of Orissa, Cuttack, against the State of Odisha, and several other entities, including our Company, in terms of the direction of the Supreme Court of India's order dated January 31, 2014, in writ petition No. 79 of 2005, to examine whether coal firedthermal power plants ("**CFTPPs**") are complying with safety standards and the rules and regulations relating to the health of employees working in various CFTPPs in Odisha. The matter is currently pending.

2. An arbitration proceeding was initiation by Fomento Commodities Pte. Limited ("**Claimant**") against

our Company under the Rules of the Singapore International Arbitration Centre, for alleged breach of contract entered into between the Claimant and our Company for sale and purchase of Indian iron pellets. The amount involved is USD 3.98 million. The matter is currently pending.

Litigation by our Company

A. Outstanding criminal proceedings

1. Our Company has filed a criminal complaint before Chief Judicial Magistrate at Sambalpur under Sections 420, 120B and 34 of the Indian Penal Code, 1860, for cheating and criminal conspiracy against Action Ispat and Power Private Limited, in relation to dishonour of cheque of an amount of ₹ 4.55 crore for several purchase orders for supply of iron ore pellets of specified quantity. This matter is currently pending.

2. Our Company has filed a criminal complaint before the Sub-Divisional Judicial Magistrate at Sambalpur, for offence committed under Section 138 of the Negotiable Instruments Act, 1881 against Shree Baladevjew Infrastructure Private Limited and its managing director in relation to dishonour of cheque for a sum of ₹ 0.12 crore received by the Company as payment in lieu of the TMT bars sold on a credit basis. This matter is currently pending.

3. Our Company has filed a criminal complaints before the Chief Metropolitan Magistrate Court at Calcutta, under Section 200 of the Code of Criminal Procedure, 1973 read with Sections 138 and 142 of the Negotiable Instruments Act, 1881 against D.K. Bhattacharjee in relation to dishonour of cheque for a sum of ₹ 0.30 crore given by D.K. Bhattacharjee while re-paying an advance payment made by our Company in furtherance of a purchase order. This matter is currently pending.

4. Our Company has filed a criminal complaint before the Judicial Magistrate First Class, Chandbali against Mercuria Energy Trading Private Limited, Singapore and Mercuria Energy Trading S.A., Switzerland in relation to offence committed under Section 418 of the Indian Penal Code, 1860 for refusal to refund an aggregate amount of USD 0.32 million to our Company. In the criminal complaint filed, we have inadvertently mentioned the name of the court as Sub-Divisional Judicial Magistrate, Bhadrak. By orders of the Judicial Magistrate First Class, Chandbali, the magistrate directed that the complaint be treated as a first information report and for an investigation to be taken up. The case is currently pending**.**

B. Outstanding material civil litigation

1. An arbitration proceeding was initiation by our Company against Fomento Commodities Pte. Limited (“**Respondent**”) under the Rules of the Singapore International Arbitration Centre, for alleged breach of contract entered into between our Company and the Respondent for sale and purchase of Indian iron pellets. The amount involved is USD 2.45 million. The matter is currently pending.

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

A. Actions initiated by regulatory or statutory authorities

1. Our Subsidiary, SSPL, received a show cause notice dated January 22, 2013 from the South Eastern Railway, Chakradharpur Division, for alleged evasion of freight amount of ₹ 12.26 crore payable to the Railway Administration for the periods between 2008-09 and 2009-10, and calling upon SSPL to pay ₹ 49.03 crore as mis-declaration penalty (“**Notice I**”). SSPL has replied to the Notice I by letter dated March 14, 2013 denying all allegations made therein.

   SSPL received another demand notice dated December 21, 2015 from the South Eastern Railway, for allegedly wrongfully utilising concessional freight charges, and calling upon SSPL to pay ₹ 129.11 crore towards the difference between normal and concessional freight charges, as well as penalty for providing misleading information, in respect of the period from May 22, 2008 to March 31, 2011 (“**Notice II**”). Referring to the previous show-cause opportunity provided *vide* Notice I, the Notice II called upon SSPL to deposit the complete amount of ₹ 129.11 crore within seven days of receipt thereof. SSPL has replied to Notice II by letter dated December 28, 2015 denying all allegations made therein.

Subsequently, the Union of India, Ministry of Railways filed a suit against out Subsidiary, SSPL, and seven of its directors, including Brij Bhushan Agarwal, Sanjay Kumar Agarwal and Venkata Krishna Nageswara Rao Majji before the High Court at Calcutta ("**Calcutta HC**"), claiming *inter alia* recovery of a sum of ₹ 129.11 crore, along with interest and an injunction restraining SSPL and their agents from loading iron ore through the Indian railways for wrongfully utilising the concessional freight rate offered by the railways, in breach of the conditions prescribed in rate circulars issued by the railways. By order dated January 15, 2018, the Calcutta HC extended the time to file written statement by three weeks, subject to payment of a certain amount. SSPL made an application to recall the order dated January 15, 2018 and to further extend the time to file written statement. By orders dated February 8, 2018 and May 7, 2018, the Calcutta HC directed that no order was required in the said application and disposed of the same.

By order of the Calcutta HC dated July 24, 2018, the court has allowed the application filed for deletion of names of six of the directors, including Brij Bhushan Agarwal and Sanjay Kumar Agarwal. This matter is currently pending.

B. Outstanding criminal proceedings

1. An FIR has been filed against SSPL under Section 154, Cr.P.C. read with sections 26, 30, 32, 33 and 63 of Indian Forest Act, 1927, alleging illegal encroachment of forest land admeasuring 8.59 acre at Jamuria by SSPL. We have also received a notice from the Forest Range Office for demolition and removal of the structures present over such land. The matter is presently pending.

2. A notice was received by our Subsidiary, SSPL, from the Bureau of Indian Standards ("**BIS**") dated January 25, 2013 seizing certain articles pursuant to a search and seizure conducted at the premises of SSPL for allegedly misusing a BIS mark on a different item from the item it was authorised for. Another notice dated January 30, 2013 was received from the BIS *inter alia* stating that due to misuse of an ISI mark, it was decided to put the BIS license under "stop marking" with immediate effect, and hence preventing SSPL from marking or dispatching any product with the said ISI mark, and calling upon SSPL to deposit ₹ 3,371 towards special inspection charges (collectively, "**Notices**"). By letter dated February 26, 2013, SSPL has responded to the notice dated January 30, 2013 *inter alia* submitting the relevant documents and confirming compliance with the conditions mentioned in the Notices.

   Subsequently, a criminal complaint has been filed by the Bureau of Indian Standards ("**Complainant**") against our Subsidiary, SSPL, before the Court of the Chief Judicial Magistrate at Burdwan, under Section 33(1) of the Bureau of Indian Standards Act, for violation of Section 11(1) of the Bureau of Indian Standards Act on the grounds that SSPL had manufactured certain items without mandatory certification. SSPL subsequently filed an application under Section 482 of the Code of Criminal Procedure, 1973 before the High Court of Calcutta ("**HC**"), pursuant to which an interim order dated October 3, 2013 was passed staying all other proceedings relating to the criminal complaint ("**Interim Order**"). The Complainant subsequently approached the HC to vacate the Interim Order. The HC by way of an order dated November 17, 2022 has vacated the Interim Order. The matter is currently pending.

Litigation by our Subsidiaries

Litigation by Shyam SEL and Power Limited ("SSPL")

A. Outstanding criminal proceedings

1. Four criminal complaints have been filed by SSPL before the Court of Chief Metropolitan Magistrate, Calcutta, against Megh Narayan Singh, under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheque for an amount aggregating to ₹ 0.59 crore for supply of TMT rebars by SSPL. These matters are currently pending.

2. A criminal complaint has been filed by our Subsidiary, SSPL, against Megh Narayan Singh ("**Accused**") for offences committed under Sections 420, 406, 471, 468 and 467 of the Indian Penal Code, 1860, for ₹ 0.87 crore. The matter is currently pending.

3. Four criminal complaints have been filed by SSPL before the Court of Chief Metropolitan Magistrate,

Kolkata, against G. Agarwal, under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheque for an amount aggregating to ₹ 0.04 crore for supply of TMT rebars by SSPL. These matters are currently pending.

4. A criminal complaint has been filed by Alok Mishra, a senior official of SSPL, against Ranjit Pandurathi, proprietor of M/s Core Minerals before the Additional Chief Judicial Magistrate, Asansol under Section 156(3) of the Code of Criminal Procedure, 1973 for offences committed under Sections 420, 406, 467, 471, 506 and 34 of the Indian Penal Code, 1860 for refusing to return an advance aggregate amount of ₹ 0.88 crore to SSPL, praying the court to direct investigation of the same. The matter is currently pending.

5. A criminal complaint has been filed by SSPL before the Additional Metropolitan Magistrate at Calcutta, against Rabin Singha Heavy Earth Movers Company Private Limited, under Section 200 of the Code of Criminal Procedure, 1973, in relation to dishonour of cheques for an amount aggregating to ₹ 0.21 crore for full/part relinquishment of existing debt and liabilities made over to SSPL. The matter is currently pending.

6. A criminal complaint has been filed by SSPL before the Court of Chief Metropolitan Magistrate, Calcutta, against Venugopal N. Dhoot, one of the directors and principal officers of Videocon Industries Limited ("**VIL**"), under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheque for an amount aggregating to ₹ 2.50 crore issued by VIL in the capacity of a guarantor. The matter is currently pending.

7. A criminal complaint has been filed by Alok Mishra, Factory Manager of SSPL, before the Chief Judicial Magistrate, Paschim Barddhaman at Asansol, against Phulchand Export Private Limited, Phulchand Ramgopal Agarwal and others (collectively, the "**Accused**"), for offences committed under Sections 34, 406, 420 and 506 of the Indian Penal Code, 1860, for ₹ 1.42 crore. The matter is currently pending.

8. A criminal complaint has been filed by SSPL before the Court of Chief Metropolitan Magistrate, Calcutta, against Tarang Kanodia, proprietress of Shree Mukund Sales, under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheque for an amount aggregating to ₹ 0.22 crore for supply of TMT bars by SSPL. These matters are currently pending.

9. A criminal complaint has been filed by SSPL before the Court of Judicial Magistrate, Sealdah, against Meghdoot Sur, proprietor of M/s Travel Chalo Lets Go (Salt Lake), under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheque for an amount aggregating to ₹ 0.05 crore for refund of amount paid by SSPL for a packaged tour for its customer, family members, associates and employees. These matters are currently pending.

10. A criminal complaint has been filed by SSPL before the Court of Chief Metropolitan Magistrate, Calcutta, against Rani Devi, proprietress of M/s Bajrang Traders, under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheque for an amount aggregating to ₹ 0.06 crore for supply of TMT bars by SSPL. These matters are currently pending.

B. Outstanding material civil litigation

1. SSPL has initiated arbitration against the West Bengal Mineral Development & Trading Corporation Limited ("**WBMDTCL**") and West Bengal Industrial Development Corporation Limited ("**WBIDCL**". and along with WBMDTCL, the "**Respondents**"), for seeking (i) specific performance by WBMDTCL of the Development Agreement dated February 4, 2008, and two memoranda of understanding dated January 11, 2011 and March 1, 2011, respectively, and (ii) necessary direction to be given to the Respondents to, *inter alia*, render necessary assistance to carry out activities from pre-mining stage up to mining and raising of coal from the trans Damodar coal block, and render assistance to SSPL to obtain long term supply of iron required for the concerned project. SSPL also sought an award of ₹ 283.49 crore, and a perpetual injunction restraining the Respondents from acting in any manner inconsistent with or in breach of their respective obligations under the aforesaid agreement and memoranda. The matter is currently pending.

2. SSPL made an application under Section 9 of the Arbitration and Conciliation Act, 1996, before the District Judge at Alipore seeking interim relief against Batliboi Environmental Engineering Limited ("**Respondent**") for alleged breach of contract entered into between the SSPL and the Respondent for

sale of three cooling fans. The amount involved is ₹ 0.28 crore. The matter is currently pending.

3. An arbitration proceeding was initiation by SSPL against Fomento Commodities Pte. Limited ("**Respondent**") under the Rules of the Singapore International Arbitration Centre, for alleged breach of contract entered into between the SSPL and the Respondent for sale and purchase of Indian iron pellets. The amount involved is USD 6.52 million. The matter is currently pending.

Litigation involving our Promoters

Litigation against our Promoters

A. Outstanding criminal proceedings

1. For details in relation to criminal proceedings against our Promoters, please see " – *Litigation involving our Directors*" on page 283.

Litigation by our Promoters

A. Outstanding criminal proceedings

1. Four criminal complaints have been filed by Subham Capital Private Limited, before the Chief Judicial Magistrate, Kolkata, against Surya Mansions Private Limited and seven of its directors under Section 138 read with 141 of the Negotiable Instruments Act, 1881 for dishonour of cheque of an amount aggregating to ₹ 1.00 crore for repayment of an advance paid by Subham Capital Private Limited, pursuant to an agreement of sale for an office space. This matter is currently pending.

2. A criminal complaint has been filed by Subham Capital Private Limited before the Court of Chief Metropolitan Magistrate, Calcutta, against Venugopal N. Dhoot, one of the directors and principal officers of Videocon Industries Limited ("**VIL**"), under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheque for an amount aggregating to ₹ 2.50 crore issued by VIL in the capacity of a guarantor. The matter is currently pending.

3. Two criminal complaints have been filed by Subham Capital Private Limited, before the Court of Chief Judicial Magistrate, Kolkata, against Ideal Real Estate Private Limited and others under Section 138 read with 141 of the Negotiable Instruments Act, 1881 for dishonour of cheque of an amount aggregating to ₹ 6.00 crore. This matter is currently pending.

4. A criminal complaint has been filed by Subham Capital Private Limited before the Court of Chief Judicial Magistrate, Kolkata, against Siddha Projects Private Limited and its director, Section 138 read with 141 of the Negotiable Instruments Act, 1881 for dishonour of cheque of an amount aggregating to ₹ 1.00 crore for repayment of an advance paid by Subham Capital Private Limited. The matter is currently pending.

5. A criminal complaint has been filed by Subham Capital Private Limited before the Court of Chief Judicial Magistrate, Kolkata, against Vedic Realty Private Limited and its director, Section 138 read with 141 of the Negotiable Instruments Act, 1881 for dishonour of cheque of an amount aggregating to ₹ 2.50 crore for repayment of an advance paid by Subham Capital Private Limited. The matter is currently pending.

6. A criminal complaint has been filed by Narantak Dealcomm, before the Chief Judicial Magistrate, Kolkata, against Maheshwari Ispat Limited ("**Accused**"), and three of its directors, under Section 138 and 141 of the Negotiable Instruments Act, 1881 for dishonour of cheque of an amount of ₹ 0.25 crore for repayment of an instalment of a loan availed by the Accused from Narantak Dealcomm. This matter is currently pending.

B. Outstanding material civil litigation

1. Subham Capital, has filed a company petition before the High Court at Calcutta ("**HC**") under Sections 433, 434 and 439 of the Companies Act, 1956 against Surya Mansions Private Limited ("**Respondent**") for winding up on the ground of dishonour of eight cheques aggregating to an amount of ₹ 3.01 crore for repayment of an advance paid by our Promoter, Subham Capital, pursuant to an agreement of sale for an

office space. Subsequently, a deed of undertaking was entered into between Subham Capital and the Respondent, whereby the Respondent undertook to repay ₹ 3.50 crore to Subham Capital, which was taken on record by the HC *vide* order dated January 27, 2014. Following dishonour of the undertaking by the Respondent, the HC passed an order dated July 7, 2014 admitting the winding up petition. The matter is currently pending.

Litigation involving our Directors

Litigation against our Directors

A. Outstanding criminal proceedings

1. One criminal complaint has been filed against our Directors, Mahabir Prasad Agarwal, Brij Bhushan Agarwal, Sanjay Kumar Agarwal and Dev Kumar Tiwari under Rule 13 of the Orissa Factories Rules, 1950 for violation of Rule 3(2) of the Orissa Factory Rules. The matter is currently pending.

2. One FIR has been filed by Krishan Mohan Singh, Proprietor of M/s Adarsh Trading before the M.G.M. Police Station, Jamshedpur, against one of our Director, Sanjay Kumar Agarwal, a director of SSPL, Rahul Gadodia along with one of our employee Ajit Kr. Mishra under Sections 406, 420, 504 and 34 of Indian Penal Code, 1860 for alleged criminal breach of trust. The matter is currently pending.

Tax Proceedings

Except as disclosed below, there are no outstanding tax proceedings involving our Company, Directors or Promoters or our Subsidiaries.

Nature of cases	Number of cases	Amount involved (in ₹ crore)
Company		
Direct Tax	7	0.94
Indirect Tax	27	22.05
Directors		
Direct Tax	NIL	NIL
Indirect Tax	NIL	NIL
Promoters		
Direct Tax	33	12.07
Indirect Tax	NIL	NIL
Subsidiaries		
Direct Tax	7	109.05
Indirect Tax	31	108.78

OUR STATUTORY AUDITORS

MSKA & Associates, Chartered Accountants, are Statutory Auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines issued by the ICAI.

S K Agrawal And Co., Chartered Accountants LLP, Chartered Accountants, our previous statutory auditors have audited the Audited Consolidated Financial Statements which are included in this Preliminary Placement Document in the section entitled "*Financial Statements*" beginning on page 287.

MSKA & Associates , Chartered Accountants, have also performed a review of the Unaudited Consolidated Financial Results as at and for the six months ended September 30, 2023 in accordance with the Standard on Review Engagements (SRE) 2410 and have issued a review report dated November 10, 2023 on the Unaudited Consolidated Financial Results, which is included in this Preliminary Placement Document in the section entitled "*Financial Statements*" beginning on page 287.

GENERAL INFORMATION

1. Our Company was originally incorporated as Shyam DRI Power Limited on December 10, 2002 at Kolkata, West Bengal, India as a public limited company under the Companies Act, 1956 and received the certificate for commencement of business from the RoC on December 11, 2002. Subsequently, the name of our Company was changed to Shyam Metalics and Energy Limited *vide* a special resolution passed by our Shareholders on November 23, 2009, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 5, 2010.

2. The Registered Office of our Company is situated at Trinity Tower, 7th Floor, 83, Topsia Road, Kolkata – 700046, West Bengal, India.

3. The Corporate Office of our Company is situated at "Viswakarma Building", 86C Topsia Road, 1st floor, Kolkata – 700046, West Bengal, India.

4. The CIN of our Company is L40101WB2002PLC095491.

5. The Board of Directors has authorized this Issue in their meeting held on July 27, 2023, 2022, and this Issue has been approved by our Shareholders through the AGM on September 21, 2023.

6. The Equity Shares are listed and permitted to trade on BSE and NSE since June 24, 2021.

7. The website of our Company is www.shyammetalics.com.

8. The authorized share capital of our Company is ₹ 4,000,000,000 divided into 400,000,000 Equity Shares of ₹ 10 each. For further information, see section entitled "*Capital Structure*" beginning on page 84. Our issued, subscribed and paid-up share capital as of the date of this Preliminary Placement Document is ₹ 2,550,806,880 divided into 255,080,688 Equity Shares of ₹ 10 each. The Equity Shares are listed and traded on BSE and NSE.

9. Our Company has received in-principle approvals under Regulation 28 of the SEBI Listing Regulations to list the Equity Shares on BSE and NSE, dated January 2, 2024. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to this Issue on Stock Exchanges after Allotment of the Equity Shares in this Issue.

10. For the main objects of our Company, please refer to Memorandum of Association. Copies of Memorandum and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on all working days, except Saturdays and public holidays during the Issue Period at the Registered and Corporate Office.

11. Our Company has obtained necessary consents, approvals and authorizations, wherever applicable, in connection with this Issue.

12. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on this Issue. For further details, see "*Legal Proceedings*" beginning on page 277.

13. There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

14. Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since the date of the of the audited financial statements filed with the Stock Exchanges in accordance with the requirements of the SEBI Listing Regulations.

15. In accordance with the SCRR, our Company is required to achieve at least 25% public shareholding within three years from the date of listing of our Equity Shares on the Stock Exchanges, in the manner as specified under the SCRR and other applicable laws. This Issue is being undertaken towards meeting such compliance. However, we will not achieve 25% public shareholding post Allotment in this Issue. Subsequently, our Promoters and Promoter Group may be required to dilute their shareholding (in

accordance with the methods prescribed under applicable laws) to ensure that our Company achieves 25% public shareholding on or before the timelines as mentioned above. Further, we cannot assure you that our Company will be able to achieve minimum public shareholding within three years from the date of listing of our Equity Shares and failure to comply with the minimum public shareholding requirements may result in certain adverse consequences and may also result in penal action being taken against us and our Promoters.

16. No change in control in our Company will occur consequent to this Issue.

17. The Floor Price for the Equity Shares under this Issue is ₹ 597.63 per Equity Share which has been calculated in accordance with Regulation 176 of the SEBI ICDR Regulations, as certified by our Statutory Auditors. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through AGM on September 21, 2023.

18. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to this Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations

19. Our Company and the BRLM accepts no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

20. Birendra Kumar Jain is the Company Secretary and Compliance Officer of our Company. His details are as follows:

    Birendra Kumar Jain
    "SS Chambers",
    5 C.R. Avenue,
    Kolkata – 700072,
    West Bengal, India
    Telephone: +91 33 4011 1000
    E-mail: bkjain@shyamgroup.com

FINANCIAL STATEMENTS

Independent Auditor's Review Report on unaudited consolidated financial results for the quarter and year to date financial results of Shyam Metalics and Energy Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To The Board of Directors Shyam Metalics and Energy Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Shyam Metalics and Energy Limited ('the Holding Company'), its subsidiaries and step-down subsidiaries, (the Holding Company, its subsidiaries and step-down subsidiaries together referred to as the 'Group') and its share of the net profit after tax and total comprehensive income of its associates and joint venture entities for the quarter ended September 30, 2023 and the year to-date results for the period from April 01, 2023 to September 30, 2023 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. This Statement includes the results of the Holding Company and the following entities:

Sr. No.	Name of the Entity	Relationship with the Holding Company
1	Shyam Sel and Power Limited	Subsidiary Company
2	Shyam Energy Limited	Step-down subsidiary Company
3	Platinum Minmet Private Limited	Step-down subsidiary Company
4	Shree Venkateshwara Electrocast Private Limited	Step-down subsidiary Company
5	Ramsarup Industries Limited	Step-down subsidiary Company
6	Shyam Metalics Flat Product Private Limited	Step-down subsidiary Company
7	Shyam Metalics International DMCC	Step-down subsidiary Company
8	S.S. Natural Resources Private Limited	Step-down subsidiary Company
9	Meadow Housing Private Limited	Step-down subsidiary Company
10	Taurus Estates Private Limited	Step-down subsidiary Company
11	Whispering Developers Private Limited	Step-down subsidiary Company
12	Nirjhar Commodities Private Limited	Step-down subsidiary Company
13	Shree Sikhar Iron & Steel Private Limited	Step-down subsidiary Company
14	Meghana Vyapaar Private Limited	Associate Company
15	Kolhan Complex Private Limited	Associate Company
16	MJSJ Coal Limited	Joint venture Company
17	Kalinga Energy & Power Limited	Joint venture Company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7, 8 and 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw your attention to Note (iii) and (iv) to the results of the Group in respect of (a) Resolution Plan of Mittal Corp. Limited ('Resolution Plan'), submitted by Shyam Sel & Power Limited ('subsidiary Company' / 'Shyam Sel'), having the scheme appointed date February 17, 2023 and as approved by the National Company Law Tribunal vide its order dated October 18, 2023; and (b) the Scheme of Amalgamation ('the Scheme') between the Shyam Sel and its subsidiary, namely Hrashva Storage and Warehousing Private Limited ("Transferor Company"), having the scheme appointed date of April 1, 2022, as approved by National Company Law Tribunal vide its order dated September 22, 2023 (collectively referred to as 'schemes'). In accordance with the respective orders, the accounting treatment pursuant to the schemes have been given effect from the respective appointed dates, which are February 17, 2023 and April 1, 2022 respectively. Accordingly, the figures for the previous year ended March 31, 2023 and previous period and quarter ended September 30, 2022 and quarter ended June 30, 2023, have been restated to give effect to the aforesaid mergers. Our conclusion is not modified in respect of these matters.

7. We did not review the financial results of 12 (twelve) subsidiaries and step-down subsidiaries included in the Statement, whose financial results reflects total assets of ₹ 2,365.64 crores as at September 30, 2023 and total revenues of ₹ 5.47 crores and ₹ 23.83 crores, total net loss after tax of ₹ (7.37) crores and ₹ (19.43) crores and total comprehensive loss of ₹ (7.37) crores and ₹ (19.43) crores, for the quarter ended September 30, 2023 and for the period from April 01, 2023 to September 30, 2023, respectively, and cash flows (net) of ₹ (5.54) crores for the period from April 01, 2023 to September 30, 2023, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 0.03 crores and ₹ 0.06 crores and total comprehensive income of ₹ 0.03 crores and ₹ 0.06 crores for the quarter ended September 30, 2023 and for the period from April 01, 2023 to September 30, 2023, respectively, as considered in the Statement, in respect of 2 (two) associates and 1 (one) joint venture entity, whose financial results have not been reviewed by us. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture entity), is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion is not modified in respect of the above matter.

8. A subsidiary is located outside India whose financial results has been prepared in accordance with the accounting principles generally accepted in their respective country, as considered in the Statement, based on their financial result which has not been reviewed by their auditor and are not subject to review. The Holding Company's Management has converted the financial results of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India.

   These conversion adjustments have been reviewed by another auditor. Our conclusion on the Statement, in so far as it relates to the financial result of such subsidiary located outside India is based solely on such management prepared unaudited financial results and the conversion adjustments prepared by the Management of the Holding Company and reviewed by another auditor.

   Our conclusion is not modified in respect of the above matter.

9. The Statement includes the Group's share of net profit/(loss) after tax of ₹ Nil and ₹ Nil and total comprehensive income / loss of ₹ Nil and ₹ Nil for the quarter ended September 30, 2023 and for the period from April 01, 2023 to September 30, 2023, respectively, as considered in the Statement, in respect of one joint venture entity, based on their financial result which has not been reviewed by their auditor and are not subject to review. These financial results are management certified and has been furnished to us by the Management and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of this joint venture entity is based solely on such management prepared unaudited financial result. According to the information and explanations given to us by the Management, this financial result is not material to the Group.

   Our conclusion is not modified in respect of the above matter.

10. The Statements for the corresponding previous quarter and previous period ended September 30, 2022, and previous quarter ended June 30, 2023, were reviewed by another auditor, whose reports dated November 08, 2023, expressed an unmodified conclusion.

    The restated consolidated financial statements for the year ended 31 March 2023, was audited by another auditor whose report dated November 08, 2023, expressed an unmodified opinion on the restated consolidated financial Statements.

    Our conclusion is not modified in respect of the above matters.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Dipak Jaiswal
Partner
Membership No.: 063682
UDIN:

Place: Kolkata
Date: November 10, 2023

Shyam Metalics and Energy Limited
Registered Office : Trinity Tower, 7th Floor, 83 Topsia Road, Kolkata - 700 046.
CIN: L40101WB2002PLC095491
Statement of unaudited Consolidated Financial Results for the quarter and six-months period ended 30 September 2023

(₹ in Cr.)

S. No.	Particulars	Quarter ended			Period ended		Year ended
		30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
		Unaudited	Unaudited (*)	Unaudited	Unaudited	Unaudited	Audited (*)
1	**Income:**						
	(a) Revenue from Operations	2,940.70	3,333.03	3,085.20	6,273.73	6,308.40	12,623.87
	(b) Other Income	38.23	29.79	21.65	68.02	43.58	112.28
	Total Income	**2,978.93**	**3,362.82**	**3,106.85**	**6,341.75**	**6,351.98**	**12,736.15**
2	**Expenses:**						
	(a) Cost of material consumed	2,159.71	2,433.08	2,314.35	4,592.79	4,310.84	8,919.33
	(b) Purchase of stock-in-trade	0.71	3.46	17.21	4.17	115.70	292.56
	(c) Change in inventories of finished goods, stock in trade and work-in-progress	(63.69)	(39.30)	(46.12)	(102.99)	(32.02)	(242.34)
	(d) Employee benefits expense	97.64	101.70	83.47	199.34	161.49	346.37
	(e) Other expenses	439.22	420.23	472.72	859.45	902.22	1,816.36
	Total Expenses	**2,633.59**	**2,919.17**	**2,841.63**	**5,552.76**	**5,458.23**	**11,132.28**
3	**Earning before Interest, Depreciation and Amortisation, Share in Profit / (Loss) of associates and Joint Venture and Tax (1-2)**	**345.34**	**443.65**	**265.22**	**788.99**	**893.75**	**1,603.87**
4	Finance costs	35.43	36.72	14.88	72.15	21.72	93.13
5	**Profits after Finance Cost but before depreciation and amortisation, share in Profit / (Loss) of associates and joint ventures and Tax (3-4)**	**309.91**	**406.93**	**250.34**	**716.84**	**872.03**	**1,510.74**
6	Depreciation and amortisation expense	176.54	158.05	110.44	334.59	205.20	469.52
7	**Profit/(loss) before Share in Profit/(Loss) of Associate and Joint Venture and tax (5-6)**	**133.37**	**248.88**	**139.90**	**382.25**	**666.83**	**1,041.22**
8	Share in Profit/(Loss) of Associate and Joint Venture	0.03	0.03	0.05	0.06	0.08	0.14
9	**Profit / (Loss) before Exceptional item and tax (7+8)**	**133.40**	**248.91**	**139.95**	**382.31**	**666.91**	**1,041.36**
10	Exceptional Items	-	-	-	-	-	0.03
11	**Profit / (Loss) before tax (9-10)**	**133.40**	**248.91**	**139.95**	**382.31**	**666.91**	**1,041.39**
12	**Tax Expense:**						
	(a) Current Tax	8.90	51.80	41.97	60.70	180.59	234.58
	(b) Deferred Tax	(144.42)	(4.78)	(12.93)	(149.20)	(38.44)	(41.17)
	(c) Prior year taxes	(213.05)	-	-	(213.05)		-
13	**Profit / (Loss) after tax (11-12)**	**481.97**	**201.89**	**110.91**	**683.86**	**524.76**	**847.98**
	Profit / Loss attributable to:						
	- Non controlling interest	(2.12)	(2.19)	(3.39)	(4.31)	(4.39)	(9.19)
	- Owners of the Company	484.09	204.08	114.30	688.17	529.15	857.17
14	**Other comprehensive Income / (Loss)**						
	(a) Items that will not be reclassified to profit and loss						
	- Remeasurement of Defined Benefit Plan	1.39	(1.24)	0.78	0.15	(1.13)	(1.37)
	- Equity instruments at fair value through other comprehensive income	42.03	16.97	(22.06)	59.00	11.71	21.93
	(b) Income tax relating to items that will not be reclassified	(10.19)	(3.60)	(3.22)	(13.79)	(2.39)	(5.05)
	Other comprehensive Income/ (Loss) for the period/year	**33.23**	**12.13**	**(24.50)**	**45.36**	**8.19**	**15.51**
15	**Total comprehensive Income/ (Loss) for the period/year (13+14)**	**515.20**	**214.02**	**86.41**	**729.22**	**532.95**	**863.49**
	Total comprehensive income attributable to:						
	- Non controlling interest	(2.12)	(2.19)	(3.39)	(4.31)	(4.39)	(9.19)
	- Owners of the Company	517.32	216.21	89.80	733.53	537.34	872.68
16	**Cash Profit (PAT attributable to the equityholders of the parent + Depreciation & Amortisation) (6+13)**	**658.51**	**359.94**	**221.35**	**1,018.45**	**729.96**	**1,317.50**
17	Paid - up Equity Share Capital (Face Value - ₹ 10 Per Share)	255.08	255.08	255.08	255.08	255.08	255.08
18	Other equity	N.A.	N.A	N.A	N.A	N.A	7,215.04
19	Earnings per equity Share						
	(a) Basic (not annualised except for year end)	18.89	7.91	4.35	26.81	20.57	33.24
	(b) Diluted (not annualised except for year end)	18.89	7.91	4.35	26.81	20.57	33.24

(*) Restated. Refer note (iii) & (iv)

Shyam Metalics and Energy Limited
CIN: L40101WB2002PLC095491
Unaudited consolidated Balance Sheet as at 30 September 2023

(₹ in Cr.)

Particulars	As at 30 September 2023 Unaudited	As at 31 March 2023 Audited (*)
Assets		
Non - current assets		
a) Property, plant and equipment	3,868.60	3,214.87
b) Right-of-use assets	48.08	76.37
c) Capital work-in-progress	3,023.67	2,769.46
d) Intangible assets	128.26	161.11
e) Investments in associates and joint ventures	1.77	1.71
f) Financial Assets		
i) Investments	1,005.84	929.89
ii) Other financial assets	52.22	34.42
g) Non Current Tax Assets	315.41	107.56
h) Deferred Tax Assets (Net)	226.55	102.65
i) Other non-current assets	240.07	213.65
Total non-current assets (A)	**8,910.47**	**7,611.69**
Current Assets		
a) Inventories	2,354.30	2,214.18
b) Financial assets		
i) Investments	581.11	531.62
ii) Trade receivables	570.05	609.45
iii) Cash and cash equivalents	31.46	90.79
iv) Bank balances other than (iii) above	28.44	97.08
v) Loans	4.10	1.03
vi) Other Financial Assets	92.23	86.80
c) Other current assets	999.78	599.04
Total current assets (B)	**4,661.47**	**4,229.99**
Total assets (A + B)	**13,571.94**	**11,841.68**
Equity and Liabilities		
a) Equity share capital	255.08	255.08
b) Other equity	7,899.28	7,215.05
Total equity (A)	**8,154.36**	**7,470.13**
Non controlling interest (B)	**381.31**	**385.62**
Non - current liabilities		
a) Financial liabilities		
i) Borrowings	375.23	331.80
ii) Lease liabilities	7.56	5.31
iii) Others financial liabilities	36.98	30.92
b) Provisions	22.13	19.92
c) Deferred tax liabilities (net)	42.46	53.94
d) Other non-current liabilities	1.77	0.57
Total non-current liabilities (C)	**486.13**	**442.46**
Current Liabilities		
a) Financial liabilities		
i) Borrowings	1,604.55	829.98
ii) Lease Liabilities	0.69	3.41
iii) Trade Payables		
(a) Total Outstanding dues of micro enterprises and small enterprises	83.71	15.58
(b) Total Outstanding dues of other than micro enterprises and small enterprises	1,608.30	1,510.85
iv) Other Financial Liabilities	948.04	661.23
b) Other Current Liabilities	274.10	444.23
c) Provisions	1.58	1.73
d) Current Tax Liabilities (Net)	29.17	76.44
Total current liabilities (D)	**4,550.14**	**3,543.47**
Total Equity and Liabilities (A + B + C + D)	**13,571.94**	**11,841.68**

(*) Restated. Refer note (iii) & (iv)

Shyam Metalics and Energy Limited
CIN: L40101WB2002PLC095491
Consolidated Statement of Cash Flows for the six-month period ended 30 September 2023

(₹ in Crores)

Particulars	Period ended 30 September 2023	Period ended 30 September 2022
	Unaudited	Unaudited (*)
A. Cash flow from operating activities:		
Net Profit Before Tax	382.30	666.91
Adjustments for:		
Depreciation and amortization expenses	334.59	205.20
Provision for Gratuity	0.39	2.50
Dividend received	(0.62)	(0.17)
Unspent liabilities Written back	0.23	0.14
Profit/Loss on sale of Investment		
Expected credit loss on Trade Receivables	2.10	
Provisions written back		
Unrealised foreign exchange fluctuations	(4.11)	19.60
Gain on fair value of investments	(29.38)	(10.11)
Gain in fair value of equity instruments through profit and loss	-	-
(Profit)/Loss on sales of property, plant and equipment		
Interest income on financial assets	(27.61)	(27.25)
Finance cost	72.15	21.72
Operating profit before working capital changes	**730.04**	**878.54**
Adjustments for changes in working capital:		
Increase/(Decrease) in Liabilities:		
Trade payable	168.46	(30.82)
Non-current financial liabilites	6.07	1.75
Current financial liabilites	(2.80)	63.85
Non-current provisions	2.21	0.58
Current provisions	(0.40)	0.06
Non-current liabilites	1.20	10.04
Current liabilites	(170.36)	(5.66)
(Increase) / Decrease in assets:		
Trade receivable	38.52	(23.28)
Inventories	(140.12)	245.47
Non-current financial assets	(20.95)	(2.08)
Current financial assets		32.21
Other non-current assets	(46.92)	1.90
Other current assets	(400.74)	156.60
Cash flow from operating activities before taxes	**164.21**	**1,329.16**
Direct taxes paid (net)	(102.79)	(149.92)
Net cash flow from operating activities (A)	**61.42**	**1,179.24**
B. Cash flow from investing activities:		
Purchase of property, plant & equipment (net)	(889.92)	(1,513.05)
Investments made for acquisition of subsidiary	-	378.99
(Purchase) / sale of current investments (net)	(40.46)	(405.39)
Investments (made in) / redeemed from fixed deposits with banks	71.78	(87.59)
Dividends received	0.62	0.17
Loans and advances recovered / (given)	(3.06)	166.25
Interest received	22.19	20.79
Net cash from investing activities (B)	**(838.85)**	**(1,439.83)**
C. Cash flow from financing activities:		
Repayments of non-current borrowings	43.43	7.39
(Repayments of) / proceeds from current borrowings	774.57	308.00
Payments of lease liabilities	(0.47)	(0.42)
Proceeds from issue of shares		0.10
Dividend paid	(45.91)	(114.79)
Finance cost paid	(53.52)	(21.72)
Net cash from financing activities (C)	**718.10**	**178.56**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(59.33)**	**(82.03)**
Cash and cash equivalents at the beginning of the period	**90.79**	**91.89**
Cash and cash equivalents at the end of the period	**31.46**	**9.86**

(*) Restated. Refer note (iii)

Notes to the unaudited Consolidated financial results for the quarter and six-month period ended 30 September 2023

(i) In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 as amended, the above unaudited Statement of Consolidated Financial Results of the Group has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 10, 2023. The statutory auditors have carried out a limited review of the results on these consolidated financial results for the quarter and six-month period ended September 30, 2023 and have issued an unmodified conclusion.

(ii) The above statement has been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, as amended, read with relevant rules there under and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, amended.

(iii) The Board of Directors of Shyam Sel & Power Limited, at its meeting held on August 31, 2022, had considered, and approved the merger of Hrashva Storage and Warehousing Private Limited ('HSWPL') into Shyam Sel & Power Limited ('SSEL') by way of a composite scheme of amalgamation. The Kolkata Bench of the National Company Law Tribunal ('NCLT'), through its order dated September 22, 2023 has approved the scheme with the appointed date of the merger being April 1, 2022. As per guidance on accounting for common control transactions contained in Ind AS 103 "Business Combinations", the merger has been accounted for using the pooling of interest method. Accordingly, the financial statements for the previous year ended 31 March 2023, the previous period ended 30 September 2022 and previous quarter ended and quarter ended 30 June 2023 have been restated, to include the impact of the merger.

(iv) The Board of Directors of Shyam Sel & Power Limited, at its meeting held on August 31, 2022, had considered, and approved the amended resolution plan for acquisition and subsequent merger of Mittal Corp. Limited ('MCL') into Shyam Sel & Power Limited ('SSEL') by way of a resolution plan and amalgamation scheme dated February 17, 2023. The Mumbai Bench of the National Company Law Tribunal ('NCLT'), through its order dated October 18, 2023, has approved the resolution plan including the amalgamation scheme. Considering that the scheme is effective from February 17, 2023, SSEL/Group has accounted for MCL as its own division from that date. Accordingly, the financial statements for the previous year ended 31 March 2023, and the previous quarter ended 30 June 2023 have been restated, to include the impact of the merger. The difference between the fair value of net identifiable assets acquired and consideration paid on merger has been accounted for as capital reserve as on the scheme acquisition date.

The Group is in the process of determining the fair values of the identified assets and liabilities for the purposes of purchase price allocation. Pending the final determination, the business combination has been accounted for, based on the provisional fair valuation report, in accordance with the principles of Ind AS 103 - Business Combination.

The reconciliation of the reported and restated results for the relevant period/year, pursuant to the above schemes are as below:

Consolidated Financial Results: **(₹ in Crores)**

Particulars	Quarter ended		Year ended	
	30-Jun-23		31-Mar-23	
	Reported	Restated	Reported	Restated
Revenue from operations	3,306.81	3,333.03	12,610.18	12,623.87
Profit / (Loss) before tax	282.17	248.91	1,041.83	1,041.36
Profit / (Loss) after tax	235.20	201.89	848.41	847.98
Total comprehensive income	247.33	214.02	863.77	863.49

Consolidated Balance Sheet: **(₹ in Crores)**

Particulars	As at	
	31-Mar-23	
	Reported	Restated
Total assets	11,188.68	11,841.68
Total liabilities	4,026.23	4,371.55
Total equity	7,162.45	7,470.13

Notes to the unaudited Consolidated financial results for the quarter and six-month period ended 30 September 2023

(v) The Group is primarily engaged in the manufacturing of steel and allied products including pellets, sponge iron, TMT and long products, ferro alloys and generation of power. Accordingly, steel and allied products is the only reportable business segment in line with the segment wise information which is being presented to the CODM in accordance with Ind AS 108 — Segment

(vi) During the current period, the Holding Company, has granted the 876,738 and 216,000 stock options to its employees, pursuant to the Company's 'SMEL Performance ESOP Scheme (ESOP 2023)', and 'SMEL Loyalty Scheme (ESOP II - 2023)' respectively.

(vii) Figures for the previous period have been regrouped/ reclassified wherever necessary to conform to current period's

(viii) The above unaudited consolidated financial results are also available on the Company's website (www.shyammetalics.com) and on the stock exchange website www.bseindia.com/www.nseindia.com.

(ix) There were no items in the nature of discontinued operations during the respective period / year reported above.

For and on behalf of **Board of Directors**

Mahabir Prasad Agarwal
Chairman
DIN: 00235780

Place: Kolkata
Date: November 10, 2023

(This space has been intentionally left blank)

INDEPENDENT AUDITOR’S REPORT

To The Members of Shyam Metalics And Energy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Shyam Metalics And Energy Limited (hereinafter referred to as the “Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of other subsidiaries as was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023 and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (“SA”s) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Group in accordance with the ‘Code of Ethics' issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of report of the other auditors referred to in the “Other Matter” section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue from Sale of Goods [Refer to Note 30 to the consolidated financial statements]	
The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Group considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues. The risk is, therefore, that revenue is not recognized in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition. • Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized in accordance with Ind AS 115. • Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying documents. • Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents. • Assessed the relevant disclosures made in the consolidated financial statements.

The Group's Exposure to Litigations Risk and related disclosure of Contingent Liabilities [Refer to Note 41 (b) to the consolidated financial statements]

As at March 31, 2023, the Group has exposures towards litigations relating to different laws, regulations and interpretations. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws / regulations, it is considered to be a Key Audit Matter.	Our audit procedures included the following: • Understood the process followed by the Group for assessment of litigations and determination of Contingent Liabilities relating to relevant laws and regulations. • Inquired with the management for recent developments and the status of the material litigations which were reviewed and noted. • Examined the assumptions used in estimation of the tax provision and the possible outcome of the disputes underlying calculations supporting the contingent liabilities/other significant litigations disclosed in the consolidated financial statements. • Evaluated management's assessments and position by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements. • Assessed the adequacy of the Group's disclosures in the consolidated financial statements. Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Consolidated Financial Statements is considered to be reasonable.

Information other than the Consolidated Financial statements and Auditor's Report Thereon

The Parent's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of respective management's use of the going concern basis of accounting in preparation of the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matter" in this audit report.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The accompanying Statement includes the audited financial statements and other financial information, in respect of:

- thirteen subsidiaries (including both direct and indirect), whose financial statements include total assets of Rs. 2024.51 crores as at March 31, 2023, total revenues of Rs. 94.32 crores, total net loss after tax of Rs. 26.86 crores and total comprehensive loss of Rs. 26.86 crores, for the year ended March 31, 2023, as considered in the Consolidated Financial Statements whose financial statements and other financial information have been audited by their respective independent auditors.

- three associates and two joint ventures, whose financial statements include Group's share of net profit of Rs. 0.14 crores and Group's share of total comprehensive income of Rs. 0.14 crores for the year ended March 31, 2023, as considered in the Consolidated Financial Statements whose financial statements and other financial information have been audited by their respective independent auditors.

The independent auditor's report on the financial statements and on the other financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated financial statements, our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the report of other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors and the reports of other statutory auditors, none of the directors of the Group is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Parent and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and in accordance to the explanations given to us, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Parent and its subsidiaries to its directors in accordance with the provisions of section 197 read with the Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of report of the other auditors on separate financial statements, as noted in the "Other Matter" paragraph:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – [Refer Note 41 (b) to the consolidated financial statements]

(ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contract – (Refer Note 51 to the consolidated financial statements)

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) A) The Respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

B) The Respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the Parent or any of such subsidiaries from any persons or entities, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the management representations set out in sub-clause (A) and (B) above, contain any material misstatement.

(v) As stated in Note 17 to the consolidated financial statements:

(A) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with Section 123 of the Act, as applicable.

(B) The interim dividend declared and paid by the Parent during the year and until the date of this report is in compliance with Section 123 of the Act.

(C) The Board of Directors of the Parent have proposed interim dividend for the Financial Year 2023-24 which is in accordance with section 123 of the Act, as applicable.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No. – 306033E/E300272

Vivek Agarwal
Partner Membership No: 301571
UDIN: 23301571BGSYBB2625

Place: Kolkata
Date: 24th of May, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shyam Metalics and Energy Limited of even date)

(xxi) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report , according to the information and explanations given to us, and based on the CARO reports issued by us and the information provided by the auditors of the companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there have been no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No. – 306033E/E300272

Vivek Agarwal
Partner
Membership No: 301571
UDIN: 23301571BGSYBB2625

Place: Kolkata
Date: 24th of May, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shyam Metalics and Energy Limited of even date

Report on the Internal Financial Controls Over Financial Reporting with reference to the aforesaid Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements as of and for the year ended 31st March 2023, we have audited the internal financial controls over financial reporting of Shyam Metalics and Energy Limited (hereinafter referred to as "the Parent"), with reference to consolidated financial statements of the parent and such companies incorporated in India and outside India under the Companies Act, 2013, which are its subsidiary companies, as of that date.

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with respect to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to the consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and such companies incorporated in India and outside India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March 2023, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to such companies incorporated in India and outside India which are its subsidiary companies, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our Opinion is not modified in respect of the above matter.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

Firm Registration No. – 306033E/E300272

Vivek Agarwal

Partner

Membership No: 301571

UDIN: 23301571BGSYBB2625

Place: Kolkata

Date: 24th of May, 2023

Shyam Metalics and Energy Limited
CIN: L40101WB2002PLC095491
Consolidated Balance Sheet
as at 31st March, 2023

(₹ in Crores)

Particulars	Note no.	As at 31st March 2023	As at 31st March, 2022
Assets			
Non-Current Assets			
a) Property, Plant and Equipment	2	2,867.83	2,383.52
b) Right-of-use assets	2A	76.37	66.01
c) Capital work-in-progress	3	2,768.92	768.28
d) Intangible Assets	4	1.85	5.09
e) Investments in associates and joint ventures	5	1.71	1.57
f) Financial Assets			
i) Investments	5a	929.79	348.68
ii) Other Financial Assets	6	28.48	38.96
g) Other Non-current Assets	7	212.49	139.19
Total non-current assets (A)		**6,887.44**	**3,751.30**
Current Assets			
a) Inventories	8	2,205.13	2,057.03
b) Financial Assets			
i) Investments	9	531.62	685.68
ii) Trade Receivables	10	604.23	376.10
iii) Cash and Cash equivalents	11	74.78	91.90
iv) Bank balances other than (iii) above	12	97.08	233.98
v) Loans	13	1.03	172.89
vi) Other Financial Assets	14	86.80	105.83
c) Current tax assets (net)	15	104.41	37.25
d) Other Current Assets	16	596.16	913.06
Total current assets (B)		**4,301.24**	**4,673.72**
Total Assets (A + B)		**11,188.68**	**8,425.02**
Equity and Liabilities			
a) Equity Share Capital	17	255.08	255.08
b) Other Equity	18	6,907.37	5,579.59
Total Equity (A)		**7,162.45**	**5,834.67**
Non Controlling Interest (B)		**385.62**	**3.99**
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	19	331.80	125.83
ii) Lease Liabilities	24 A	5.31	5.96
iii) Others Financial Liabilities	20	31.78	12.42
b) Provisions	21	20.19	14.01
c) Deferred Tax Liabilities (Net)	22	71.22	107.28
d) Other Non-current Liabilities	23	203.47	171.01
Total non-current liabilities (C)		**663.77**	**436.52**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	24	819.98	407.84
ii) Lease Liabilities	24 A	3.41	3.41
iii) Trade Payables			
(a) Total Outstanding dues of micro enterprises and small enterprises	25	14.58	7.84
(b) Total Outstanding dues of other than micro enterprises and small enterprises		1,510.79	1,186.10
iv) Other Financial Liabilities	26	312.06	200.31
b) Other Current Liabilities	27	237.85	304.41
c) Provisions	28	1.73	29.75
d) Current Tax Liabilities (Net)	29	76.44	10.18
Total current liabilities (D)		**2,976.84**	**2,149.85**
Total Equity and Liabilities (A + B + C + D)		**11,188.68**	**8,425.02**
Significant Accounting Policies	1		

Notes forming part of the Financial Statements

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata

Date : The 24th Day of May, 2023

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Deepak Agarwal
Executive Director and Chief Financial Officer
DIN 00560010

Birendra Kumar Jain
Company Secretary
M. No - A8305

Shyam Metalics and Energy Limited
CIN: L40101WB2002PLC095491
Consolidated Statement of Profit & Loss
for the period ended 31st March, 2023

(₹ in Crores)

	Particulars	Notes	31st March, 2023	31st March, 2022
	INCOME			
I	Revenue from operations	30	12,610.18	10,393.96
II	Other Income	31	112.01	60.01
III	**Total Income (I+II)**		**12,722.19**	**10,453.97**
IV	**EXPENSES**			
	Cost of material consumed	32	8,916.33	6,460.87
	Purchase of stock-in-trade		292.56	32.54
	Change in inventories of finished goods, stock in trade and work -in-progress	33	(242.64)	(180.87)
	Employee benefits expense	34	345.15	246.56
	Finance costs	35	93.13	23.16
	Depreciation and amortisation expense	36	463.08	272.40
	Other expenses	37	1,812.89	1,235.12
	Total Expense(IV)		**11,680.50**	**8,089.78**
V	**Profit before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)**		**1,041.69**	**2,364.19**
VI	Share in Profit of Associate and Joint Venture		0.14	0.14
	Profit before tax (V+VI)		**1,041.83**	**2,364.33**
VII	Tax expense:	38		
	(i) Current tax		234.59	539.46
	Add: MAT Credit Utilized		-	100.79
	(ii) Deferred tax		(41.17)	(0.08)
VIII	**Profit for the period (VI-VII)**		**848.41**	**1,724.18**
IX	**Profit for the Year (VIII+IX+X)**		**848.41**	**1,724.18**
	Profit / (Loss) attributable to Non Controlling Interest		(9.19)	(0.36)
	Profit / (Loss) attributable to owners of the Parent		857.60	1,724.54
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit and loss			
	- Remeasurement of Defined Benefit Plan		(1.52)	(1.02)
	- Equity instruments at fair value through other comprehensive income;		21.93	57.35
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.05)	(12.76)
	Other comprehensive income for the year		**15.36**	**43.57**
XI	**Total Comprehensive Income for the period (XI+XII)**		**863.77**	**1,767.75**
	Comprehensive Income attributable to Non Controlling Interest		(9.19)	(0.36)
	Comprehensive Income attributable to owners of the Parent		872.96	1,768.11
XII	**Earning per Equity Share of ₹ 10 each (in ₹)**			
	Basic(₹)	39	**33.26**	**68.91**
	Diluted(₹)		**33.26**	**68.91**
	Significant Accounting Policies	1		

Notes forming part of the Financial Statements

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Vivek Agarwal
Partner
Membership No. : 301571
Place: Kolkata
Date : The 24th Day of May, 2023

Deepak Agarwal
Executive Director and Chief Financial Officer
DIN 00560010

Birendra Kumar Jain
Company Secretary
M. No - A8305

Shyam Metalics and Energy Limited
CIN: U40101WB2002PLC095491
Consolidated Statement of Cash Flow
for the period ended 31st March 2023

(₹ in Crores)

Particulars	For the Period Ended	
	31 March 2023	31 March 2022
A. Cash flow from operating activities:		
Net Profit Before Tax	1,041.83	2,364.33
Adjustments for:		
Depreciation and amortisation expense	463.08	272.40
Provision for Gratuity	6.53	0.90
Dividend Received	(0.72)	(0.20)
Provision written back as per expected credit loss model	0.94	0.09
Unspent Liabilities written back and Unclaimed Balances adjusted	0.05	(11.00)
Unrealised Foreign Exchange Fluctuations	(5.71)	(3.11)
Gain on fair value of investment	(41.00)	(29.87)
Gain in fair value of equity instruments through Profit and loss	(6.49)	(0.33)
(Profit)/Loss on sales of Property, Plant and Equipment	(2.07)	(0.21)
Interest Income on financial assets	(49.92)	(27.43)
Interest & Finance charges	93.13	23.16
Operating Profit Before Working Capital Changes	**1,499.65**	**2,588.72**
Adjustments for :		
Increase/(Decrease) in Trade Payable	333.29	827.61
Increase/(Decrease) in Non current Financial Liabilites	19.36	2.69
Increase/(Decrease) in Current Financial Liabilites	(17.67)	4.41
Increase/(Decrease) in Non-Current Provisions	6.18	3.42
Increase/(Decrease) in Current Provisions	(36.07)	(1.43)
Increase/(Decrease) in Non current Liabilites	32.46	(32.03)
Increase/(Decrease) in Current Liabilites	(66.61)	19.81
Decrease / (Increase) in Trade Receivable	(225.23)	160.14
Decrease / (Increase) in Inventories	(148.10)	(1,026.80)
Decrease / (Increase) in Financial assets- Non cutrrent	(2.95)	(5.08)
Decrease / (Increase) in Other Non-current Assets	(0.23)	(2.01)
Decrease / (Increase) in Financial assets- current	31.25	(22.18)
Decrease / (Increase) in Other Current Assets	317.03	(382.66)
Cash flow from operating activities before taxes	**1,742.36**	**2,134.64**
Direct Taxes Paid (net)	(235.49)	(573.44)
Net cash flow from operating activities (A)	**1,506.87**	**1,561.20**
Purchase of Property Plant & Equipment (Net)		
B. Cash flow from investing activities:		
Purchase of Property Plant & Equipment (Net)	(1,578.92)	(939.88)
Cash Outflow for acquisition of subsidiary	(378.99)	10.38
(Increase)/ Decrease in Investment (Net)	(357.64)	(676.94)
Fixed deposits with banks (placed) / realised	150.33	(61.79)
Dividend Received	0.72	0.20
Loans Refunded/ (Given)	171.86	(156.70)
Interest Received	37.69	24.79
Net cash from investing activities (B)	**(1,954.95)**	**(1,799.94)**
C. Cash flow from financing activities:		
Repayments/Proceeds from Non-current Borrowing (Net)	205.96	5.17
Repayments/Proceeds from Current Borrowing (Net)	412.14	(261.32)
Repayment of Lease Liabilities	(0.66)	2.79
Proceeds from issue of shares		625.58
Acquisition of Non Controlling Interest		
Dividend Paid	(114.79)	(183.66)
Interest paid	(71.69)	(21.76)
Net cash from financing activities (C)	**430.96**	**166.80**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(17.12)**	**(71.94)**
Cash and cash equivalents at the beginning of the year	**91.90**	**163.84**
Cash and cash equivalents at the end of the year	**74.78**	**91.90**

Notes forming part of the financial statements

Notes to the cash flow statement

1. The above statement of cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Consolidated Statement of Cash Flow".

2. Cash and cash equivalent comprises of: **(₹ in Crores)**

Particulars	**As at 31st March 2023**	**As at 31st March, 2022**
Balance with banks - in current account	6.56	68.10
Cash credit account	58.82	2.70
Cheques/ DD on Hand	8.22	0.90
Unpaid Dividend account with bank	-	0.04
Fixed Deposits with maturity less than 3 months	-	18.82
Cash on hand	1.18	1.34
Total	**74.78**	**91.90**

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : The 24th Day of May, 2023

Deepak Agarwal
Executive Director and Chief Financial Officer
DIN 00560010

Birendra Kumar Jain
Company Secretary
M. No - A8305

Shyam Metalics and Energy Limited
CIN: L40101WB2002PLC095491
Consolidated Statement of Changes in Equity
for the year ended 31st March 2023

A. Equity Share Capital **(₹ in Crores)**

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2023	255.08	-	255.08
For the year ended March 31, 2022	233.61	21.47	255.08

B. Other Equity **(₹ in Crores)**

Particulars	Reserve and surplus								
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	Equity instruments through other comprehensive income	Remeasurement of the net defined benefit plans	Total Attributable to Owners of the parent	Attributable to Non Controlling Interest	Total Other Equity
Balance at 1st April 2022	**782.36**	**4,346.63**	**364.53**	**1.10**	**84.97**	**-**	**5,579.59**	**3.99**	**5,583.58**
Profit / (Loss) for the year	-	857.60	-	-	-	-	857.60	(9.19)	848.42
Dividend Paid	-	(114.79)	-	-	-	-	(114.79)	-	(114.79)
Income tax effect	-	-	-	-	(5.52)	0.39	(5.13)	-	(5.13)
Acquisition/Merger of subsidiary	-	-	569.58	-	-	-	569.58	390.82	960.40
Other Comprehensive Income	-	-	-	-	22.14	(1.63)	20.51	-	20.51
Transfer to Retained earnings	-	(1.26)	-	-	-	1.26	-	-	-
Balance at 31st March 2023	**782.36**	**5,088.19**	**934.11**	**1.10**	**101.58**	**0.02**	**6,907.37**	**385.62**	**7,292.99**
Balance at 1st April 2021	**178.15**	**2,805.93**	**384.61**	**1.10**	**30.62**	**-**	**3,400.41**	**4.35**	3,404.76
Profit / (Loss) for the year	-	1,724.54	-	-	-	-	1,724.54	(0.36)	1,724.18
Income Tax Effect	-	-	-	-	(12.61)	0.17	(12.44)	-	(12.44)
Profit on sale of Investment	-	-	-	-	(0.28)	-	(0.28)	-	(0.28)
Acquisition/Merger of subsidiary	-	-	(20.08)	-	-	-	(20.08)	-	(20.08)
Securities premium received	604.21						604.21		604.21
Dividend Paid	-	(183.66)	-	-	-	-	(183.66)	-	(183.66)
Transfer to Retained earnings	-	(0.18)	-	-	-	0.66	0.48	-	0.48
Other Comprehensive Income	-	-	-	-	67.24	(0.83)	66.41	-	66.41
Balance at 31st March 2022	**782.36**	**4,346.63**	**364.53**	**1.10**	**84.97**	**-**	**5,579.59**	**3.99**	**5,583.58**

Notes forming part of the financial statements

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : The 24th Day of May, 2023

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Deepak Agarwal
Executive Director and Chief Financial Officer
DIN 00560010

Birendra Kumar Jain
Company Secretary
M. No - A8305

Group Overview

Shyam Metalics and Energy Limited ('the group') is a public limited Group incorporated in India in 2002 under the Companies Act, 1956. The registered office of the Group is at Trinity Tower, 83 Topsia Road, 7th Floor, Kolkata – 700 046.

The Group is primarily engaged in business of manufacture and sale of Ferro Alloys, Iron & Steel products and power generation. Currently it has an integrated steel plant in Odisha and has it presence in wind power sector in the state of Maharashtra.

The financial statements for the year ended March 31, 2023 were approved for issue by Group's board of directors on May 24, 2023.

1 Significant Accounting Policies

The significant accounting policies applied by the Group in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

b. Basis of preparation

These Consolidated financial statements are prepared in accordance with the Indian Accounting Standard (Ind AS), under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied, except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement

c. Recent Accounting Developments

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below :

Ind AS 1, Presentation of Financial Statements – The amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

d. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in quoted and unquoted equity shares
- Financial instruments

e. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

f. Use of estimates and critical accounting judgements

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

g. Property, plant and equipment

Recognition and initial measurement

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Impairment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

On the date of transition to Ind AS that is 01-04-2015 the Group had taken fair value for land & building and plant & equipment as its deemed cost.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

h. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer software	3 to 5 years

i. Depreciation and amortisation property plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a Written down value basis, the cost of property, plant and equipment and other intangible assets to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives as per the useful life prescribed in Schedule II to the Companies Act, 2013, or, as per technical assessment, or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

In case of certain classes of PPE, the Group uses different useful lives than those prescribed in Schedule II to the Act in the below mentioned assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Asset Class	Group Policy	As per Sch. II
Non Factory Building	5-60 Years	60 Years
Office Equipment	3-5 Years	5 Years
Plant & Machineries	5-40 Years	20-40 Years

Freehold land is not depreciated.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

j. Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or CGU) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

k. Financial Instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following line:

• the entity's business model for managing the financial assets and

• the contractual cash flow characteristics of the financial asset.

Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Other Comprehensive Income

A financial asset shall be classified and measured at fair value through Other Comprehensive Income if both of the following conditions are met:

• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of unquoted equity investments which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments.

Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through Other Comprehensive Income.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group has measured quoted equity instruments at fair value through profit or loss.

Classification and Subsequent Measurement: Financial liabilities
Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at fair value through profit & loss
Financial liabilities are classified as at fair value through profit & loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit & loss:
Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Group recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

l. Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

m. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Provisions are made to cover slow moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their product lines and market conditions

n. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

o. Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit and Loss

p. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Group must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

q. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period
Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

r. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a

straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Group as lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term and the lease term is as follows.

Class of assets	Years
Leasehold land	99 Years
Buildings	2 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

s. Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

Sale of goods

Revenue from sale of products is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In the context of the sale of the products, separate performance obligations may arise from freight and transport services as well as from services directly related to the sale of the products. These services are generally performed at the time that the control of the products is transferred. In a few exceptional cases, the freight and transport services are performed after the control of the products has been transferred. In accordance with IND AS 115, the revenue relating to these freight and transport services is realised later than the corresponding product revenue. In determining the transaction price, the Group considers the effects of variable consideration such as discounts, volume rebates, or other contractual price reductions, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

In case of domestic sales, the Group believes that the control gets transferred to the customer on dispatch of the goods from the factory and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms. Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

Conversion Income

Revenue from sale of service is recognised when control has been transferred to the buyer usually when the delivery of goods after due process of conversion takes place, revenue is booked when all the performance obligations are satisfied. In determining the transaction price, the Group considers the effects of variable consideration such as discounts, volume rebates, or other contractual price reductions, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

t. Foreign currency transactions

The financial statements of the Group are presented in Indian rupees (₹), which is the functional currency of the Group and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are restated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the translation or settlement of other monetary items are included in the statement of profit and loss for the period.

u. Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

v. Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

w. Trade receivables

Trade receivables that do not contain a significant financing component are measured at transaction price.

x. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with the financial institutions, other short term, highly liquid investments with original maturities of three months or less (except the instruments which are pledged) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

y. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

z. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

aa. Investment in subsidiaries and associates and joint venture

Investment in subsidiaries and associates are shown at deemed cost except investment in one subsidiary. Further where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of profit and loss.

bb. Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

cc. Expected Credit Loss

Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements
for the year ended 31st March, 2023

2. Property, Plant and Equipment

(₹ in Crores)

Particulars	Gross block					Accumulated depreciation					Net block
	1st April 2022	Addition on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March 2023	1st April 2022	Accumulated depreciation on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March 2023	31st March 2023
Freehold Land	229.09	42.37	3.60	-	275.06	-	-	0.00	-	0.00	275.06
Buildings	692.18	97.43	123.77	15.75	897.63	247.87	48.29	53.96	11.28	338.84	558.79
Plant and Equipment	3,142.36	582.63	656.28	35.42	4,345.85	1,438.76	517.28	401.11	34.30	2,322.85	2,023.00
Furniture and Fixture	2.44	1.21	0.67	-	4.32	1.62	1.16	0.23	-	3.01	1.31
Vehicles	7.52	1.34	4.76	0.18	13.44	2.86	1.30	1.55	0.16	5.55	7.89
Office Equipment	5.94	2.80	1.65	-	10.39	4.91	2.79	0.91	-	8.61	1.78
Total	**4,079.53**	**727.78**	**790.73**	**51.35**	**5,546.69**	**1,696.02**	**570.82**	**457.76**	**45.74**	**2,678.86**	**2,867.83**

(₹ in Crores)

Particulars	Gross block					Accumulated depreciation					Net block
	1st April 2021	Addition on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March, 2022	1st April 2021	Accumulated depreciation on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March, 2022	31st March, 2022
Freehold Land	213.97	-	15.12		229.09		-	-	-	-	229.09
Buildings	546.65	7.70	137.83	0.00	692.18	208.76	2.16	36.95	0.00	247.87	444.31
Plant and Equipment	2,396.59	18.00	727.77	0.00	3,142.36	1,194.73	12.01	232.02	-	1,438.76	1,703.60
Furniture and Fixture	2.32	0.00	0.12	-	2.44	1.34	0.00	0.28	-	1.62	0.82
Vehicles	5.78	0.30	1.44	0.00	7.52	1.85	0.27	1.00	0.26	2.86	4.66
Office Equipment	4.61	0.14	1.19	0.00	5.94	4.33	0.09	0.49	0.00	4.91	1.03
Total	**3,169.92**	**26.14**	**883.47**	**0.00**	**4,079.53**	**1,411.01**	**14.53**	**270.75**	**0.26**	**1,696.02**	**2,383.52**

(b) Refer note 41(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
(c) Refer note 19 & 24 for information on property, plant and equipment pledged as security by the Group.

2A. Right of Use Assets

(₹ in Crores)

Particulars	Gross block					Accumulated depreciation					Net block
	1st April 2022	Addition on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March 2023	1st April 2022	Accumulated depreciation on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March 2023	31st March 2023
Leasehold Building	4.78	-	-	-	4.78	2.34	-	0.88	-	3.22	1.56
Leasehold Land	65.91	12.25	1.32	-	79.48	2.34	1.79	0.53	-	4.67	74.81
Total	**70.69**	**12.25**	**1.32**	**-**	**84.26**	**4.67**	**1.79**	**1.41**	**-**	**7.89**	**76.37**

(₹ in Crores)

Particulars	Gross block					Accumulated depreciation					Net block
	1st April 2021	Addition on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March 2022	1st April 2021	Accumulated depreciation on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March 2022	31st March 2022
Leasehold Building	4.04	-	0.74	-	4.78	1.37	-	0.97	-	2.34	2.44
Leasehold Land	41.90	24.01	-	-	65.91	1.88	-	0.46	-	2.34	63.57
Total	**45.94**	**24.01**	**0.74**	**-**	**70.69**	**3.24**	**-**	**1.43**	**-**	**4.68**	**66.01**

3. Capital Work -in- Progress (₹ in Crores)

Particulars	1st April 2022	Additions	Disposals/ Adjustments	31st March 2023
Capital work in progress	768.28	2,656.69	656.05	2,768.92
Total	**768.28**	**2,656.69**	**656.05**	**2,768.92**

(₹ in Crores)

Particulars	1st April 2021	Additions	Disposals/ Adjustments	31st March 2022
Capital work in progress	506.41	1,121.41	859.54	768.28
Total	**506.41**	**1,121.41**	**859.54**	**768.28**

Capital work-in-progress ageing schedule for the year ended March 31, 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,502.89	254.31	3.11	8.61	2,768.92
Total Capital work-in-progress	**514.66**	**254.31**	**3.11**	**8.61**	**2,768.92**

Capital work-in-progress ageing schedule for the year ended March 31, 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	510.70	215.41	31.80	10.37	768.28
Total Capital work-in-progress	**270.65**	**215.41**	**31.80**	**10.37**	**768.28**

Note - There are no projects which are overdue as on 31.03.2023 and 31.03.2022 respectively.

4. Intangible assets (₹ in Crores)

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2022	Additions	Disposals/ Adjustments	31st Mar 2023	1st April 2022	Additions	Disposals/ Adjustments	31st Mar 2023	31st Mar 2023
Software	7.77	0.55	-	8.32	2.68	3.79	-	6.47	1.85
Total	**7.77**	**0.55**	**-**	**8.32**	**2.68**	**3.79**	**-**	**6.47**	**1.85**

(₹ in Crores)

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2021	Additions	Disposals/ Adjustments	31st March 2022	1st April 2021	Additions	Disposals/ Adjustments	31st March 2022	31st March 2022
Software	2.19	5.58	-	7.77	1.54	1.14	-	2.68	5.09
Total	**2.19**	**5.58**	**-**	**7.77**	**1.54**	**1.14**	**-**	**2.68**	**5.09**

Note 5 - Investments in associates and joint ventures (₹ in Crores)

Particulars	Number of shares		For the year ended		
	31st March 2023	31st March 2022	Face Value (In ₹)	31st March 2023	31st March 2022
Investments measured at cost/deemed cost					
Investment in Associates					
Kolhan Complex Private Limited	1,61,200	1,61,200	10	1.20	1.20
Add: Share In Profit / (Loss)				-	-
				1.20	**1.20**
Meghana Vyapaar Private Limited	1,00,000	1,00,000	10	0.24	0.10
Add: Share In Profit/(Loss)				0.14	0.14
				0.37	**0.24**
Sub - Total				**1.57**	**1.44**
Investment in Joint Ventures					
Kalinga Energy & Power Ltd	1,25,000	1,25,000	10	0.13	0.13
Add: Share In Profit/(Loss)				-	-
				0.13	**0.13**
Karo River Pellets Private Limited	5,000	5,000	10	0.01	0.01
Add: Share In Profit/(Loss)				-	-
				0.01	**0.01**
Sub - Total				**0.14**	**0.13**
TOTAL				**1.71**	**1.57**

Note 5A - Investments (Non-Current)

Particulars	Number of shares		For the year ended		
	31st March 2023	31st March 2022	Face Value (In ₹)	31st March 2023	31st March 2022
Investments measured at fair value through other comprehensive income					
Unquoted					
Investment in equity instruments					
Dorite Tracon Private Limited	7,30,000	7,30,000	10	41.99	29.76
Narantak Dealcomm Limited	27,28,088	27,28,088	10	70.73	65.39
Subhlabh Commercials Private Limited	1,01,350	1,01,350	10	2.69	2.55
Shubham Capital Private Limited	3,57,000	3,57,000	10	16.21	10.22
Karva Automart Limited	10,000	10,000	10	0.03	0.03
Shyam Ores(Jharkhand) Private Limited	-	200	10	-	0.00
				131.65	**107.95**
Quoted					
Investment in Non-Convertible Debentures/MLD/ZCB/Bonds					
Investments measured at fair value through Amortised Cost					
8.23% Irfc Tax Free Bond	-	1,00,000	100	-	10.09
HDB Financial Services Limited Sr A/0(Zc) 181 Opt 1 Ncd	450	-	10,00,000	44.98	-
Vivriti Capital Private Limited (Br Free Ncd 26Jl24)	250	-	10,00,000	24.83	-
IIFL Wealth Prime Limited Br Ncd	9,000	-	1,00,000	90.00	-
TMF Holdings Limited (Sr A Ncd 28Ag26)	1,500	-	10,00,000	155.23	-
Piramal Enterprises Limited (Br Ncd 02Sp24)	400	-	10,00,000	43.47	
IIFL Wealth Prime Limited		500	10,00,000	-	49.41
7.75% Sbi Perpetual	18	-	1,00,00,000	18.00	-
State Bank Of India Series I 7.72% Perpetual Bond	36	36	1,00,00,000	36.02	36.04
Investments measured at fair value through Profit and Loss					
Shriram Transport Finance Company Limited Series III	-	500	10,00,000	-	54.75
Vidya Trust 2021 Series IV PTC	-	34,632	10,000	-	32.68
Vivriti Capital Private Limited BR	250	-	10,00,000	25.38	-
7.72% SBI Perp Call 03.09.2026 Tier I	18	-	1,00,00,000	18.29	-
SK Finance Mld November 2024	90	-	10,00,000	9.04	-
M G M Consulting Services Pvt Ltd	250	-	10,00,000	25.00	-
IIFL Wealth Prime Ltd Sr Ec24	900	-	1,00,000	10.40	-
8.12% Rec Tax Free Bonds *	50,000	-	1,000	5.75	-
8.50% Sbi Perpetual Bond	50	-	10,00,000	5.16	-
7.75% State Bank Of India Perpetual	18	-	1,00,00,000	18.18	-
Avanse Financial Services Limited	250	-	10,00,000	25.82	-
Indian Renewable Energy Development Agency Limited *	90	-	10,00,000	9.00	-
IIFL Commercial Yield Fund - Class E (AIF Cat II)	7,52,62,247	-	10	80.13	-
IIFL Large Value Fund Series 14	3,49,98,250	-	10	35.00	-
SK Finance Limited (Br Ncd 22Nv24)	90	-	10,00,000	9.40	-
Piramal Capital And Housing Finance Limited	5,89,500	5,89,500	925	46.44	48.51
360 One Wam Limited (Br Ncd 15My25)	506	-	1,00,00,000	53.05	-
Investment in Mutual Funds					
Investments measured at fair value through Profit and Loss					
SBI Fixed Maturity Plan Series 52 (1848 days)	89,99,550	89,99,550		9.47	9.15

Investment in Government Securities					
National Saving Certificate (VII Issue)				0.10	0.10
Total				**929.79**	**348.68**
Aggregate amount of unquoted investments				**131.75**	**108.05**
Aggregate amount of quoted investments				**798.05**	**240.63**
Aggregate market value of quoted investments				**798.05**	**240.63**

* Investments are pledged against Corporate Guarantee as given in Note no 52 (b), 52(c) and 52(d)

Note 6 - Other Financial Assets (Non-Current) **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
(Unsecured, considered good)		
Security deposits	17.12	14.17
Bank deposits for maturity more than 12 months	11.36	24.79
Total	**28.48**	**38.96**

(a) Fixed Deposits amounting to Rs. 10.70 Crores (31st March 2022 : 25.72 Crores) are held as margin money

7. Other non-current assets **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
(Unsecured, considered good)		
Capital advances	204.45	131.38
Deposits against demands under dispute	7.89	5.41
Prepaid expenses	0.15	2.37
Advance Tax	-	0.03
Total	**212.49**	**139.19**

8. Inventories **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
(Valued at lower of cost and Net Realisable Value)		
Raw Materials	1,409.83	1,563.04
Work in progress	1.86	12.69
Finished Goods	624.79	378.42
Stores and Spares	131.11	71.18
Fuel	1.29	1.29
Traded Goods	2.90	2.99
By Products	33.34	27.42
Total	**2,205.13**	**2,057.03**

Inventories are hypothecated to bank against working capital facility.

9. Current Investments

(₹ in Crores)

Particulars	Number of shares		Face Value (In ₹)	31st March 2023	31st March 2022
	31st March 2023	31st March 2022			
Investment in Non-Convertible Debentures/MLD/ZCB/Bonds					
Investments measured at fair value through Amortised Cost					
8.23% Irfc Tax Free Bond	1,00,000	-	1,000	9.73	-
Vivriti Capital Private Limited	150	-	10,00,000	16.25	-
				25.98	**-**
Investments measured at fair value through other comprehensive income					
Quoted					
Investment in equity instruments					
Bajaj Finance ltd	6,547	6,547	2	3.68	4.75
Powergrid Infrastructure Investment Trust	5,41,200	5,41,200	-	1.63	7.25
Brookfield India Real Estate Trust Reit	58,400	58,400	-	6.63	1.83
SUB-TOTAL				**11.94**	**13.83**
Investments measured at fair value through Profit and Loss					
Investment in Non- Convertible Debenture/MLD/ZCB					
Miraya Reality Private Limited Ncd	56	56	1,00,000	0.40	0.58
Ncd Sterling Habitats Private Limited	-	4	1,00,000	-	0.02
Miraya Reality Private Limited Ncd	94	94	1,00,000	0.73	0.99
Genie Commercial Ventures Pvt. Ltd	77	77	1,00,000	0.37	0.83
Sterling Habitats Pvt Ltd	-	28	1,00,000	-	0.37
Sterling Habitats Pvt Ltd Pd 15	-	-	-	-	0.11
Vivriti Capital Private Limited	-	-	-	-	15.00
Piramal Enterprises Limited Br Ncd	-	-	-	-	40.00
Edelweiss Financial Services Ncd	-	-	-	-	10.00
Genie Commercial Ventures Pvt. Ltd.	5	5	-	0.02	0.05
Embassy Office Parks Reit Sr I	10,50,000	-	-	32.42	-
7.72% Sbi Perp Call 03.09.2026 Tier I	-	18	1,00,00,000	-	18.35
8.41% Ntpc Tax Free 2023 *	1,00,000	1,00,000	1,000.00	10.53	10.90
IIFL Income Opportunities Fund Seri				13.04	-
Liquid Gold Series 4Series	500	-	94,115.94	3.46	-
Muthoot Fincorp Limited (Sr X Br Ncd 15S P23)	100	-	10,00,000	11.12	-
8.41% India Infrastructure Finance Co Ltd Tax Free Bonds *	1,50,000	1,50,000	1,000.00	15.35	16.18
8.12% Rec Tax Free Bonds	-	50,000	1,000	-	6.12
8.50% Sbi Perpetual Bond	-	50	10,00,000	-	5.29
7.18% Irfc Ltd	-	50,000	1,000	-	5.28
Vidya Trust 2021 Series Iv	-	34,632	10,000	-	34.63
Indian Renewable Energy Development Agency Limited	-	90	10,00,000	-	9.00
SUB-TOTAL				**87.44**	**173.70**

Quoted					
Investment in Mutual Funds					
Aditya Birla Sun Life Equity Arbitrage Fund	1,50,93,074	-	-	-	34.34
Axis Arbitrage Fund	11,55,80,516	-	-	-	187.08
Alpha Alternatives Msar Llp	17,99,910	-	-	19.40	-
Icici Prudential Mutual Fund - Arbirage Fund	-	1,27,75,849	-	-	37.43
Edelweiss Crossover Opportunities Fund	91,26,119	1,55,54,844	-	0.32	12.54
Edelweiss Real Estate Opportunities Fund.	20,530	29,520	-	12.86	17.75
Bandhan Crisil Ibx Gilt June 2027 Index Fund - Dp - Growth	9,09,57,797	-	-	99.33	-
Kotak Nifty Sdl Apr 2027 Index Fund - Direct Growth	7,03,72,410	-	-	72.96	-
Aditya Birla Sun Life Nifty Sdl Plus Psu Bond Sep 2026 Index Fund Direct Growth	3,94,01,850	-	-	41.32	-
Kotak Equity Arbitrage Fund - Direct Plan - Fortnight Dividend	-	1,11,70,532	-	-	35.38
Nippon India Etf Nifty Sdl Apr 2026			-	50.13	-
Aditya Birla Sun Life Nifty Sdl Psu Bond Sep 2026 *	8,38,82,132	-	-	87.98	-
Neo Special Credit Opportunities	12,500	-	10,000.00	12.50	-
Icici Prudential Over Night Mutual Fund	-	39,26,999	-	-	45.00
Sbi Fixed Maturity Plan Sr 52 Direct Growth	89,99,550	89,99,550	-	9.47	9.15
Nippon India Arbitrage Fund- Growth	-	1,67,43,656	-	-	38.22
Kotak Equity Arbintrage Fund	-	2,56,59,206	-	-	81.26
SUB-TOTAL				**406.27**	**498.15**
TOTAL				**531.62**	**685.68**
Aggregate amount of quoted investments				**531.62**	**685.68**
Aggregate market value of quoted investments				**531.62**	**685.68**

* Investments are pledged against Corporate Guarantee as given in Note no 52 (b), 52(c) and 52(d)

10. Trade receivables **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Trade receivables considered good (Unsecured)	459.31	256.99
Trade receivables considered good (Secured)	144.48	118.40
Trade receivables - credit impaired	4.05	3.36
	607.83	**378.76**
Less: Allowances for credit losses	(3.60)	(2.65)
Total	**604.23**	**376.10**

Expected Credit Loss - In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Trade Receivables ageing schedule for the year ended as on 31.03.2023

Ageing of Trade Receivables

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable - Considered Good	153.93	423.55	22.17	1.04	1.02	0.05	601.76
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	2.28	0.90	0.09	3.28
Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable - Credit Impaired	-	-	-	0.36	0.20	1.37	1.94
	153.93	**423.55**	**22.17**	**3.68**	**2.13**	**1.52**	**606.98**
Less: Allowance for expected credit loss	-	-	-	-	-	-	2.75
Less: Allowance for credit impairment	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Trade Receivable	**153.93**	**423.55**	**22.17**	**3.68**	**2.13**	**1.52**	**604.23**

Trade Receivables ageing schedule for the year ended as on 31.03.2022

Ageing of Trade Receivables

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable - Considered Good	52.38	314.01	7.52	2.14	0.09	0.10	376.24
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	0.76	0.40	0.10	1.26
Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	1.25	1.25
Total (A)	**52.38**	**314.01**	**7.52**	**2.91**	**0.49**	**1.45**	**378.75**
Less: Allowance for expected credit loss	-	-	-	-	-		2.65
Less: Allowance for credit impairment						-	-
Total (B)							-
Total (A-B)	**52.38**	**314.01**	**7.52**	**2.91**	**0.49**	**1.45**	**376.10**

11. Cash and cash equivalents (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Balance with banks:		
Current account	6.56	68.10
Cash credit account	58.82	2.70
Cheques/ DD on Hand	8.22	0.90
Unpaid Dividend account with bank	-	0.04
Fixed Deposits with maturity less than 3 months	-	18.82
Cash on hand	1.18	1.34
Total	**74.78**	**91.90**

Current Account Balance for the year ended 31.03.2023 includes Rs. 0.29 Crores held in Escrow Account to meet IPO Expenses (31.03.2022 : 1.91)

12. Other bank balances (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Unpaid Dividend	0.54	-
Fixed Deposits held as margin with maturity less than 3 months	1.18	7.19
Fixed deposits maturity for more than 3 months but less than 12 months	95.36	226.79
Total	**97.08**	**233.98**

(a) Fixed Deposits amounting to Rs. 60.42 Crores (31st March 2022 : Rs. 31.74 Crores) are held as margin money

Note 13 - Loans (Current) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
(Unsecured, considered good)		
Loan to related parties	-	2.67
Loan to body corporates - Considered Good	1.03	170.19
Loans receivable considered good	-	0.03
Total	**1.03**	**172.89**

14. Other financial assets
(Unsecured, considered good) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Interest accrued and due on fixed deposits	4.56	4.33
Interest accrued and due on bonds	17.11	5.06
Interest accrued on Deposits	0.52	0.57
Earnest money deposit	0.10	-
Subsidy and Incentive Receivable	56.22	55.53
Insurance Claim Receivable	-	0.11
MTM receivables	2.26	4.92
Security deposits	6.04	35.31
Total	**86.80**	**105.83**

15.Current tax assets (net) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Advance Tax(Net of provisions)	104.41	37.25
Total	**104.41**	**37.25**

16. Other current assets
(Unsecured, considered good) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Advances against goods and expenses		
i. Considered Good	531.83	825.89
ii. Considered doubtful	-	1.94
Prepaid Expenses	3.51	1.50
Advances to employees	5.84	10.33
Advances for IPO	-	0.07
Balances with statutory authorities	54.98	73.33
Total	**596.16**	**913.06**

Advance to employees includes Rs. 0.90 Crores advance made to directors and their relatives (Previous year: 0.90 Crores)

17. Equity share capital

a) Authorised, Issued, Subscribed and Paid up Share Capital **(₹ in Crores)**

Particulars	**31st March, 2023**	**31st March 2022**
Authorised capital 400,000,000 (March 31, 2022 - 290,000,000) Equity Shares of ₹ 10	400.00	290.00
Total	**400.00**	**290.00**
Issued, Subscribed & Paid-up Capital 255,080,688 (March 31, 2022 - 255,080,688) Equity Shares of ₹ 10 each	255.08	255.08
	255.08	**255.08**

b) Reconciliation of equity shares outstanding at the end of the reporting period

Particulars	**31st March, 2023**		**31st March, 2022**	
	No. of shares	**₹ in Crores**	**No. of shares**	**₹ in Crores**
Equity shares at the beginning of the year	25,50,80,688	255.08	23,36,10,100	233.61
Add: Shares issued during the year*	-	-	2,14,70,588	21.47
Equity shares at the end of the year	**25,50,80,688**	**255.08**	**25,50,80,688**	**255.08**

* During the year ended March 31, 2022 the group has issued 2,14,70,588 fresh equity shares through Initial Public Offer of Face Value Rs. 10 each aggregating to Rs. 21.47 Crores

Initial Public Offer :

The Group had made an Initial Public Offer (IPO), during the year ended March 31, 2022 for 2,97,05,880 equity shares of Rs. 10 each, comprising of a fresh issue of 2,14,70,588 equity shares by the Group and 82,35,292 equity shares offered for sale by selling shareholders. The Equity shares were issued at a price of Rs. 306 per share (including a Share Premium of Rs. 296). Of the total equity shares, 3,00,000 equity shares were reserved for eligible employees at a discount of Rs. 15 per share. Total Share Premium received from IPO (net of employee discount) is Rs. 635.32 crores reduced by the Group's share of IPO related expenses of Rs. 31.22 Crores

c) Rights/preferences/restrictions attached to equity shares

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian Rupees.
In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Aggregate number of bonus shares allotted as fully paid up during the period of 5 years immedialtely preceding the **(₹ in Crores)**

Particulars	**As at 31st March 2023**	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**	**As at 31st March 2019**
Opening Add: Equity Shares allotted as fully paid up pursuant to contract for consideration other than cash.	-	-	-	-	18,68,88,080
	-	**-**	**-**	**-**	**18,68,88,080**

e) Aggregate number of New shares allotted as fully paid up during the period of 5 years immedialtely preceding the reporting date **(₹ in Crores)**

Particulars	**As at 31st March 2023**	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**	**As at 31st March 2019**
Opening	25,50,80,688	23,36,10,100	23,36,10,100	23,36,10,100	23,36,10,100
Add: Equity Share allotted as fully paid in Initial Public Issue	-	2,14,70,588	-	-	-
Closing	**25,50,80,688**	**25,50,80,688**	**23,36,10,100**	**23,36,10,100**	**23,36,10,100**

f) Proceeds from Initial Public Offer made during the year ended March 31, 2022 have been utilised in the following manner :

Particulars	**Utilised in FY 2021-22**
Rapeyment of borrowings	470.00
Expenses towards general corporate purposes	149.96
	619.96

f) Shares held by promoters

Particulars	No of Shares (31.03.2023)	% of Total Shares (31.03.2023)	No of Shares (31.03.2022)	% of Total Shares (31.03.2022)	% Change during the year
Promoter Name					
Subham Buildwell Pvt. Ltd.	7,05,38,427	27.65%	7,05,38,427	27.65%	0.00%
Narantak Dealcomm Limited	5,08,93,406	19.95%	5,08,93,406	19.95%	0.00%
Subham Capital Private Limited	4,07,85,620	15.99%	4,07,85,620	15.99%	0.00%
Kalpataru House Fin. And Trading Private Ltd.	2,14,02,157	8.39%	2,14,02,157	8.39%	0.00%
Dorite Tracon (P) Ltd	1,42,16,273	5.57%	1,42,16,273	5.57%	0.00%
Top Light Mercantiles Pvt. Ltd.	6,98,750	0.27%	6,98,750	0.27%	0.00%
Brij Bhushan Agarwal	2,32,84,820	9.13%	2,32,84,820	9.13%	0.00%
Sanjay Kumar Agarwal	31,580	0.01%	31,580	0.01%	0.00%
Mahabir Prasad Agarwal	2,525	0.00%	2,525	0.00%	0.00%
Promoter Group Name					
Brij Bhushan Agarwal Huf	22,50,000	0.88%	22,50,000	0.88%	0.00%
Mittu Agarwal	11,33,750	0.44%	11,33,750	0.44%	0.00%
Sangita Agarwal	45,000	0.02%	45,000	0.02%	0.00%
Kirandevi Vimal Agrawal	45,000	0.02%	45,000	0.02%	0.00%
Anita Jhunjhunwala	45,000	0.02%	45,000	0.02%	0.00%
Bajrang Lal Agarwal	2,500	0.00%	2,500	0.00%	0.00%

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Group's Board of Directors. Income tax consequenses of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Group declares and pays dividends in Indian Rupees. Companies are required to pay/ distribute dividend after applicable withholding income taxes. The remittance of dividends outside India is generally governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows

Particulars	Year Ended	
	31.03.2023	31.03.2022
Interim dividend for fiscal 2023 (Rs. 1.80 per share)	45.91	-
Final dividend for fiscal 2022 (Rs. 2.70 per share)	68.87	
Final dividend for fiscal 2021 (Rs. 2.70 per share)	-	68.87
Interim dividend for fiscal 2022 (Rs. 4.50 per share)	-	114.79

Out of the total dividend distributed in FY 2021-22 and FY 2022-23 an amount of Rs. 0.54 Crores is unpaid and is lying in our bank accounts earmarked for dividend payment

g) Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2023		31st March, 2022	
	No. of shares	Holding	No. of shares	Holding
Subham Buildwell Private Limited	7,05,38,427	27.65%	7,05,38,427	27.65%
Narantak Dealcomm Limited	5,08,93,406	19.95%	5,08,93,406	19.95%
Subham Capital Private Limited	4,07,85,620	15.99%	4,07,85,620	15.99%
Mr. Brij Bhushan Agarwal	2,32,84,820	9.13%	2,32,84,820	9.13%
Kalpataru Housfin & Trading Private Limited	2,14,02,157	8.39%	2,14,02,157	8.39%
Dorite Tracon Private Limited	1,42,16,273	5.57%	1,42,16,273	5.57%

Shyam Metalics and Energy Limited
Notes to the consolidated Financial Statements
for the year ended 31st March, 2023

18. Other Equity **(₹ in Crores)**

Particulars	Reserve and surplus				Other comprehensive income				
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	FVTOCI Equity Instruments	Remeasurement of the net defined benefit plans	Total Attributable to Owners of the parent	Attributable to Non Controlling Interest	Total Other Equity
Balance at 1st April 2022	**782.36**	**4,346.63**	**364.53**	**1.10**	**84.97**	**-**	**5,579.59**	**3.99**	**5,583.58**
Profit / (Loss) for the year	-	857.60	-	-	-	-	857.60	(9.19)	848.42
Dividend Paid	-	(114.79)	-	-	-	-	(114.79)	-	(114.79)
Income tax effect	-	-	-	-	(5.52)	0.39	(5.13)	-	(5.13)
Acquisition/Merger of subsidiary	-	-	569.58	-	-	-	569.58	390.82	960.40
Other Comprehensive Income	-	-	-	-	22.14	(1.63)	20.51	-	20.51
Transfer to Retained earnings	-	(1.26)	-	-	-	1.26	-	-	-
Balance at 31st March, 2023	**782.36**	**5,088.19**	**934.11**	**1.10**	**101.59**	**0.02**	**6,907.37**	**385.62**	**7,292.99**
Balance at 1st April 2021	**178.15**	**2,805.93**	**384.61**	**1.10**	**30.62**	**-**	**3,400.41**	**4.35**	**3,404.76**
Profit / (Loss) for the year	-	1,724.54	-	-	-	-	1,724.54	(0.36)	1,724.18
Profit on sale of Investment	-	-	-	-	(0.28)	-	(0.28)	-	(0.28)
Dividend Paid	-	(183.66)	-	-	-	-	(183.66)	-	(183.66)
Income tax effect	-	-	-	-	(12.61)	0.17	(12.44)	-	(12.44)
Security Premium Received	604.21		-			-	604.21	-	604.21
Acquisition/Merger of subsidiary	-	-	(20.08)	-	-	-	(20.08)	-	(20.08)
Other Comprehensive Income	-	-	-	-	67.24	(0.83)	66.41	-	66.41
Transfer to Retained earnings	-	(0.18)	-	-	-	0.66	0.48	-	0.48
Balance at 31st March, 2022	**782.36**	**4,346.63**	**364.53**	**1.10**	**84.97**	**-**	**5,579.59**	**3.99**	**5,583.58**

Note 18 .1

Securities Premium : Securities Premium Reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act. , 2013.

Capital Reserve : Capital Reserve arises due to consolidations.

General Reserve: General Reserve is created from time to time by way of transfer of profits for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other Comprehensive income.

Other Comprehensive Income: Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:
i) Items that will not be reclassified to Profit and Loss
a. The group has elected to recognise changes in the fair value of non-current investments (other than in subsidiaries, associates and joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
b. The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI and transferred immediately in retained earnings.
ii) Items that will be reclassified to profit and loss. a. This Reserve represents the cumulative effective portion of changes in fair value of currency swap that are designated as cash flow hedge are recognised in OCI. This is reclassified to statement of Profit and Loss.

Retained Earnings: Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the group.

Note: Addition to Securities Premium during the year ended 31.03.2022 represents amount received on account of IPO (not of employee discount) Rs. 635.33 Crores reduced by the Group's share of IPO related Expenses Rs. 31.22 Crores (31.03.2021 : NIL)

Note 19 - Borrowings (Non-current) **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Secured		
Term Loans:		
Foreign currency loan	147.16	141.00
Long term Maturities Of finance lease Obligation		
Commercial Vehicle Loan	1.86	1.06
Sub-Total	**149.02**	**142.06**
Less: Current Maturities of Long Term debt	(20.15)	(18.93)
	128.87	**123.13**
Unsecured		
Loan from Body Corporate	202.93	2.70
Total	**331.80**	**125.83**

Repayment terms and security disclosure for the outstanding long-term borrowings (excluding current maturities) as on 31st March 2023 :

Hire Purchase Loan is repayable in equated monthly installments and secured by assets purchased there against.

(ii) Repayment Terms for Secured Borrowings **(₹ in Crores)**

Name of the Bank	Type of loan	Rate of Interest (%) P.A.	As at 31st March 2023 Amount	As at 31st March 2022 Amount	Repayment Schedule
ICICI Bank	ECB	6 M USD LIBOR + 4.25 %		-	Fully repaid during the period
'Oldenburgische Landesbank AG, Germany	ECB		147.16	141.00	External Commercial Borrowing of EURO 1.86 crores sanctioned amount and disbursed up to 31.03.2022 EURO 1.67 crores (EURO 1.67 crores outstanding) is repayable in 17 (equal) half yearly installments beginning from 30.06.2022 and ending on 30.06.2030
Less : Unamortized upfront fees and			-	-	
Total			**147.16**	**141.00**	

Note 19.1

Security

i) First charge by way of Equitable Mortgage/Registered Mortgage/ English mortgage over all the moveable properties including the land (pertaining to the project) situated at Sangli in the state of Maharashtra.

ii) First charge by way of hypothecation over all moveable fixed assets of the Project, both present and future.

iii) Assignments of rights, interest and obligations of the Borrower under the Project Documents, including insurance policies relating to the Project, permits/approvals, clearances related to the Project, both present and future.

iv) Second charge over all the current assets of the Project, both present and future.

v) Exclusive first charge on the equipment (universal rolling mill, separator, universal grinder, Spare part for stock of plant & machinery procured from Achenbach, Germany)

Pre-payment terms

Subject to the prevailing guidelines issued by RBI in respect of ECB's, the Borrower may prepay in whole or in part (if in part, minimum amound of USD 1 million, or a higher amount, which is in integral multiples of USD 1 million or if lesse than the entire outstanding facility) upon 15 business days prior written notice to the Lender along with the prepayment premium of 0.20% of the amount to be prepaid.

Breakage cost.

Hire Purchase Loan is repayable in monthly installments and secured by assets purchased there against.

Penalty

There is no penalty clause

20. Other Financial Liabilities (Non-Current) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Security deposits received	0.86	1.37
Retention Money	30.92	11.05
Total	**31.78**	**12.42**

Note 21 - Provisions (Non-Current) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Provision for Employee Benefits - Gratuity	17.27	12.43
Provision for Employee Benefits -Leave	2.92	1.58
Total	**20.19**	**14.01**

Note 22 - Deferred Tax Liabilities (Net) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Deferred tax liability arising on account of :		
Difference in value of assets as per books and as per tax	99.35	113.71
Others	(0.04)	1.32
Fair valuation of mutual funds and investments	30.75	23.79
Deferred tax assets arising on account of :		
Provision on receivables	(0.77)	0.54
Provison for Employee Benefit	6.23	(5.41)
Lease Liabilities	3.25	(2.05)
Others	8.35	(9.44)
	113.04	**122.45**
Less: MAT credit Entitlement	(41.82)	(15.18)
Total	**71.22**	**107.28**

23. Other non current liabilities (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Liability for water charges	203.18	170.66
Deffered revenue grant	0.29	0.35
Total	**203.47**	**171.01**

Note 24A - Lease Liabilities (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Non Current Lease Liability	5.31	5.96
Current Lease Liability	3.41	3.41
Total	**8.71**	**9.37**

Note 24 - Borrowings (Current) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Current maturities of long term debts	20.15	18.93
Secured		
Loans Repayable on Demand		
From Banks:		
Working capital - Demand loan	795.00	205.13
Working capital - Cash credit	4.80	93.07
Unsecured		
From Banks	0.00	90.00
From related party	0.03	-
From Body Corporate	0.00	0.71
Total	**819.98**	**407.84**

Borrowings have been drawn at following rate of interest

Particulars	Rate of Interest
Foreign Currency Loan	NA
Working capital borrowings and Cash Credit	6.70% p.a to 9.05% p.a
Short Term Loan	7.25% p.a. tp 7.40% p.a.

Note 24.1

Primary Security

Borrowing from banks are secured, in respect of respective facilities, by way of hypothecation of entire current assets (excluding investments) of the Group and further secured by second charge on fixed assets of the Group.

Collateral Security

a) Hypothecation of the entire movable fixed assets of the Group at Mangalpur unit ranking pari-passu first charge basis with other working capital lenders.
b) 1st pari passu charge by way of equitable mortgage of factory Land & Building of Mangalpur unit admeasuring 10 acres.
c) 2nd pari-passu charge by way of equitable mortage of factory Land & Building of Jamuria unit admeasuring 309.19 acres.
d) Hypothecation of the entire moveable fixed assets of the Group at Jamuria unit ranking pari-passu second charge basis with other working capital lenders.
e) Hypothecation of the entire movable fixed assets of the Group at new Aluminium Foil unit at Pakuria (except assets specifically charged to equipment financier, i.e. OLB Bank) ranking pari-passu second charge basis with otherworking capital lenders.
f) Mortgage of factory land and building of the Group measuring about 5.405 acres at Pakuria Aluminium Foil unit ranking pari-passu second charge basis with other working capital lenders.

Reconciliation of value of debtors and inventory as per books and as submitted to bankers

Particulars	Period	Amount as per Financials	Amount as per statement filed with bankers	Difference	Remarks
Eligible Trade Receivables & Inventory	30.06.2022	2,657.51	2,639.60	17.91	Statements are being filed with bankers on the basis of provisional figures since the final figures are made available at a later date. The Group has not claimed Drawing Power(DP) on certain current assets. DP is calculated as per norms of lenders.
	30.09.2022	2,192.48	2,192.48	-	
	31.12.2022	2,836.06	2,836.06	-	
	31.03.2023	2,780.45	2,780.45	-	

25. Trade payables **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Due to micro, small and medium enterprises	14.58	7.84
Due to others	1,510.79	1,186.10
Total	**1,525.37**	**1,193.94**

Particulars	31st March 2023	31st March 2022
Principal amount outstanding as at end of year	14.58	7.84
Principal amount overdue more than 45 days	-	-
Interest due and unpaid as at end of year	-	-
Interest paid to the Supplier	-	-
Payment made to the supplier beyond the appointment date during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

Trade Payable ageing schedule for the year ended as on March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1	1-2 years	2-3 years	More than 3 years	Total
MSME	-	14.08	-	-	-	14.08
Others	1,219.18	253.33	19.35	9.75	9.47	1,511.08
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	**1,219.18**	**267.42**	**19.35**	**9.75**	**9.47**	**1,525.16**

Trade Payable ageing schedule for the year ended as on March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1	1-2 years	2-3 years	More than 3 years	Total
MSME		7.84				7.84
Others	796.43	369.00	10.36	-	10.30	1,186.10
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	**796.43**	**376.83**	**10.36**	**-**	**10.30**	**1,193.94**

26. Other financial liabilities (Current) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Retention money- Current	-	10.02
Interest accrued but not due on borrowings	23.05	1.62
Unpaid Dividend	0.54	0.04
Accrued Expenses	-	0.06
Creditors for capital goods	256.80	148.81
Employee related payables	31.67	24.56
Trade Deposits	-	15.20
Total	**312.06**	**200.31**

27. Other current liabilities (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Statutory dues	13.12	25.30
Advance from customers	74.13	134.85
Advance from related parties	-	0.40
Audit fee payable	0.01	0.01
Other payable	150.52	143.79
Deferred revenue grant	0.06	0.06
Total	**237.85**	**304.41**

28. Provisions (Current) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Provision for Employee Benefits- Gratuity	1.48	0.98
Provision for Renewable Energy Cess	-	28.58
Provision for Leave Encashment	0.25	0.19
Total	**1.73**	**29.75**

29. Current Tax Liabilities (Net) (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Provision for tax (Net of provisions)	76.44	10.18
Total	**76.44**	**10.18**

30. Revenue from operations (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Operating revenue		
- Sale of manufactured products	12,151.85	10,154.65
- Sale of services	82.49	154.01
- Sale of Traded Goods	317.23	46.89
- Sale of Power	3.34	3.49
- Sale of Miscellaneous items	40.38	5.28
	12,595.28	**10,364.32**
Other Operating Revenues		
- Export Incentive received	14.50	28.61
- Other Incentive & Subsidy Received	0.40	1.03
Total	**12,610.18**	**10,393.96**

The disaggregation of the group's revenue from contracts with customers is as under:-

(i) Geographic market (₹ in Crores)

Particulars	31st March 2023	31st March 2022
India	11,330.56	8,605.67
Outside India	1,264.72	1,758.64
Total	**12,595.28**	**10,364.31**

(ii) The following table provides information about receivables, contract asset and contract liabilities from contracts with customers:-

Particulars	31st March 2023	31st March 2022
Receivable which are inclued in Trade and other receivables	604.23	376.10
Contract assets	153.93	52.38
Contract liabilities	74.13	134.85
Total	**832.30**	**563.33**

(iii) Perfomance Obligation

The group recognises revenue from sale of goods at the point in time when control of the goods is transferred to the customers, generally on delivery of the goods and the perfomance obligation of the group is satisfied upon delivery of the goods to the customers.

31. Other income (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Non- operating Income		
Recurring Income		
Interest income on financial assets carried at amortised cost		
- Deposits	13.08	14.51
- Loans	1.24	-
- Bond	35.59	3.35
- Others	0.01	5.31
Interest from AIF/ Bond	-	4.26
Net Gain on sale of Investments measured at cost through Profit and Loss	1.43	16.45
Net Gain on fair value of Investments measured at fair value through Profit and Loss		
- Mutual Fund, Non convertible debentures, AIF, Bonds	40.97	13.45
- Bond	-	(1.08)
Net Gain on fair value of Investments measured at fair value through amortised cost		
- Bonds and debentures	5.07	0.33
Dividend received on Shares	0.72	0.20
Profit on sales of Property, Plant and Equipment	2.07	0.21
Insurance claim received	0.41	-
Rent	-	2.02
Others	11.42	1.00
Total	**112.01**	**60.01**

32. Cost of material consumed (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Opening stock	1,562.77	726.12
Add: Purchases	8,763.41	7,373.11
	10326.16	**8,099.23**
Less: Sales	-	75.58
Less: Closing Stock	1,409.83	1,562.77
Total	**8,916.33**	**6,460.87**

33. Changes in inventories (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Opening Stock		
Finished Goods	377.14	198.56
Work-in-progress	12.69	2.53
Traded Goods	2.99	6.20
By-Products	27.42	32.08
	420.25	**239.37**
Closing Stock		
Finished Goods	624.79	377.14
Work-in-progress	1.86	12.69
Traded Goods	2.90	2.99
By-Products	33.35	27.42
	662.89	**420.24**
(Increase)/ Decrease in Inventories	**(242.64)**	**(180.87)**

34. Employee benefits expense (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Salaries and Wages	320.46	229.92
Contribution to provident and other funds	15.79	11.27
Staff welfare expenses	8.91	5.37
Total	**345.15**	**246.56**

35. Finance costs (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Interest Expense		
- On Borrowings	65.06	15.18
- Interest Expenses for lease liability	0.25	0.25
Other Borrowing Costs	27.82	7.73
Total	**93.13**	**23.16**

36. Depreciation and amortisation Expense (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Depreciation	457.92	271.05
Depreciation on Right of use assets	1.38	0.21
Amortisation	3.79	1.14
Total	**463.08**	**272.40**

37. Other expenses (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Rent	59.84	43.83
Rates and taxes	51.99	97.32
Power, fuel and electricity	641.18	288.91
Consumption of stores and spares parts	490.10	446.54
Repairs		
Building	31.18	14.27
Machinery	23.64	13.01
Others	21.25	9.37
Insurance	12.68	6.46
Brokerage and commission on sales	20.93	17.81
Advertisement and publicity expenses	66.51	9.58
Legal and professional	28.18	22.21
Charity and donations	0.11	0.13
Loss on sale of Property, plant and equipments	-	1.11
Labour charges	144.23	108.36
Freight and Forwarding expenses	77.29	130.10
Payment to auditor	0.41	0.49
Corporate Social Responsibility	16.26	27.67
Loss on sale of Investments measured at fair value through Profit and Loss(Net)	-	0.66
Loss on Forward Contracts(Net)	24.99	(9.63)
Allowances for credit losses	0.94	0.09
Sundry Balances written off	(13.09)	(11.57)
Irrecoverable Debts, Claims and Advances Written Off	0.05	(11.00)
Foreign Exchange Fluctuation loss (net of gain)	59.26	(21.34)
Miscellaneous expenses	54.94	50.74
Total	**1,812.89**	**1,235.12**

38. Income Tax Expense (₹ in Crores)

Particulars	31st March 2023	31st March 2022
i) Current Tax		
Current tax	234.59	539.46
Total	**234.59**	**539.46**
ii) Deferred Tax		
Deferred tax (Liability Reversal)	(14.56)	(8.18)
Less: MAT Credit	26.61	(108.89)
Total	**(41.17)**	**100.71**

Note 39 - Earnings per Equity Share

The Group's Earnings Per Share (EPS) is determined based on the net profit / (loss) attributable to the shareholders of the group. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during that particular year including share options, except where the result would be anti-dilutive.

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
Net Profit / (Loss) attributable to equity shareholders		
Profit for the year	848.41	1,724.54
Nominal value of equity shares (₹)	10.00	10.00
Weighted average number of equity shares for basic & Diluted EPS	25,50,80,688	25,02,57,159
Basic & Diluted earnings per share (₹)	33.26	68.91

Note 40 - Significant accounting judgments, estimates and assumptions

The preparation of the Group’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Useful Life

In preparation of the financial statements, the Group makes judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgments and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Note 41 - Commitments & Contingent Liabilities

(a) Capital commitments **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	917.12	440.92

(b) Contingent Liabilities **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Claims against the group not acknowledged as debt:		
Excise Duty	113.36	114.44
Service Tax	0.09	2.02
Customs Duty	14.94	13.39
Sales Tax/VAT/GST	2.30	18.82
ESI	0.14	0.14
Other money for which the group is contingently liable:		
Unredeemed bank guarantees on behalf of the joint venture company	-	0.65
Other unredeemed bank guarantees	209.41	204.97
Bills discounted with banks	12.66	55.94
Total	**352.91**	**410.38**

(i)Based on discussion with the solicitors / favourable decisions in similar cases / legal opinion taken by the Group, the management believes that the Group has good chance of success in above mentioned cases and hence no provision there against is considered necessary.

Note 42 - Employee Benefit Obligations

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Provident Fund	10.26	7.40
Total	**10.26**	**7.40**

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied with the number of years of service.

The weighted average duration of the defined benefit plan obligations at the end of the reporting period is 5.67 years (31st March 2022 - 5.86 years)
The amounts recognized in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

Changes in defined benefit obligation (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Present value of obligation as at the beginning of the year	13.41	10.03
Interest cost	0.95	0.69
Current service cost	3.86	2.61
Benefits paid	(1.09)	(0.90)
Actuarial loss/(gain) on obligations	1.56	0.98
Present value obligation as at the end of the year	**18.68**	**13.41**

Breakup of actuarial gain/loss: (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	0.06	0.18
Actuarial (gain)/loss arising from experience adjustment	1.51	0.81

Reconciliation of present value of defined benefit obligation and the fair value of plan assets (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Present value obligation as at the end of the year	18.68	13.41
Net Liability recognized in balance sheet	**18.68**	**13.41**

Amount recognized in the statement of profit and loss (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Current service cost	3.86	2.61
Interest cost	0.95	0.69
Amount recognized in the statement of profit and loss	**4.81**	**3.30**

Amount recognized in the statement of Other Comprehensive Income (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Actuarial gain/(loss) for the year on planned benefit obligations	1.56	0.98
Actuarial gain/(loss) at the end of the year	**1.56**	**0.98**

Actuarial assumptions

Particulars	31st March 2023	31st March 2022
Discount rate	7.40% p.a.	7.10% p.a.
Future salary increase	5.50% p.a.	5.50% p.a.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms of maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability (₹ in Crores)

Particulars	31st March 2023	31st March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	18.68	1.21
a) Impact due to increase of 1.00 %	17.10	12.22
b) Impact due to decrease of 1.00 %	20.61	14.81
Impact of Change in Withdrawal Rate	-	-
Present value of obligation at the end of the year	18.68	13.41
a) Impact due to increase of 1.00 %	18.84	13.47
b) Impact due to decrease of 1.00 %	18.58	13.34
Impact of the change in salary increase	-	-
Present value of obligation at the end of the year	18.68	1.21
a) Impact due to increase of 1.00 %	20.67	14.84
b) Impact due to decrease of 1.00 %	17.02	12.16

Leave

Changes in defined benefit obligation **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Present value of obligation as at the beginning of the year	1.77	1.28
Interest cost	0.13	0.09
Current service cost	0.87	0.48
Past Service Cost	-	-
Benefits paid	(0.36)	(0.08)
Actuarial loss/(gain) on obligations	0.76	0.01
Present value obligation as at the end of the year	**3.17**	**1.78**

Reconciliation of present value of defined benefit obligation and the fair value of plan assets **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Present value obligation as at the end of the year	3.17	1.78
Net asset recognized in balance sheet	**3.17**	**1.78**

Amount recognized in the statement of profit and loss **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Current service cost	0.87	0.48
Past Service Cost	-	-
Interest cost	0.13	0.09
Expected return on plan assets	-	-
Amount recognized in the statement of profit and loss	**1.00**	**0.57**

Actuarial assumptions

Particulars	31st March 2023	31st March 2022
Discount rate	7.40% p.a.	7.10% p.a.
Disability rate	5% of Mortality rate	5% of Mortality rate
Retirement Age	58 Years	58 Years
Future salary increase	5.50% p.a.	5.50% p.a.

Note 43 - Financial Instruments by Category

For amortised cost instruments, carrying value represents the best estimate of fair value. **(₹ in Crores)**

Particulars	31st March 2023				31st March 2022			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial Assets								
Investment in equity instruments	-	143.59	-	143.59	-	121.78	-	121.78
Investment in mutual funds	415.74	-	-	415.74	507.30	-	-	507.30
Investment in Bonds/Debenture/AIF	463.48	-	438.51	901.99	309.64	-	95.54	405.18
Investment in government securities	-	-	0.10	0.10	-	-	0.10	0.10
Trade receivables	-	-	604.23	604.23	-	-	376.10	376.10
Loans	-	-	1.03	1.03	-	-	172.89	172.89
Security deposit	-	-	23.16	23.16	-	-	49.48	49.48
Cash and cash equivalents	-	-	74.78	74.78	-	-	91.90	91.90
Other financial asset	-	-	81.30	81.30	-	-	70.52	70.52
Margin money	-	-	107.90	107.90	-	-	258.77	258.77
Total	**879.22**	**143.59**	**1,331.02**	**2,353.83**	**816.94**	**121.78**	**1,115.30**	**2,054.02**
Financial Liabilities								
Borrowings	-	-	1,151.78	1,151.78	-	-	533.67	533.67
Lease Liabilities	-	-	8.72	8.72	-	-	9.38	9.38
Trade payable	-	-	1,525.37	1,525.37	-	-	1,193.94	1,193.94
Security deposit	-	-	0.86	0.86	-	-	1.37	1.37
Other financial liabilities	-	-	342.98	342.98	-	-	211.36	211.36
Total	**-**	**-**	**3,029.70**	**3,029.70**	**-**	**-**	**1,949.72**	**1,949.72**

(a) Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurement **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Financial Assets		
Financial investments at FVOCI		
Unquoted equity instruments	143.59	121.78
Financial investments at FVTPL		
Mutual Fund	415.74	507.30
Total	**559.33**	**629.08**

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed **(₹ in Crores)**

Particulars	31st March 2023			31st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Mutual funds	415.74	-	-	507.30	-	-
Investment in Bonds/Debenture/AIF	-	901.99	-	-	405.18	-
Unquoted equity instruments	-	143.59	-	-	121.78	-
Investment in Government Securities	-	0.10	-	-	0.10	-
Total	**415.74**	**1,045.68**	**-**	**507.30**	**527.06**	**-**
Financial Liabilities						
Borrowings	-	-	1,151.78	-	-	533.67
Total	**-**	**-**	**1,151.78**	**-**	**-**	**533.67**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(b) Fair value of financial assets and liabilities measured at amortised cost, FVTPL and FVTOCI

(₹ in Crores)

Particulars	31st March 2023		31st March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Carried at FVOCI				
Investments in equity instruments	143.59	143.59	121.78	121.78
Carried at amortised cost				
Trade receivables	604.23	604.23	376.10	376.10
Loans	1.03	1.03	172.89	172.89
Security deposit	23.16	23.16	49.48	49.48
Cash and cash equivalents	74.78	74.78	91.90	91.90
Other financial asset	81.30	81.30	70.52	70.52
Margin money	107.90	107.90	258.77	258.77
Investment in Bonds	901.99	901.99	405.18	405.18
Investment in Government Securities	0.10	0.10	0.10	0.10
Carried at FVTPL				
Investments in mutual funds	415.74	415.74	507.30	507.30
Total	**2,353.83**	**2,353.83**	**2,054.02**	**2,054.02**

(₹ in Crores)

Particulars	31st March 2023		31st March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Carried at amortised cost				
Borrowings	1,151.78	1,151.78	533.67	533.67
Lease Liabilities	8.72	8.72	9.38	9.38
Trade payable	1,525.37	1,525.37	1,193.94	1,193.94
Security deposit	0.86	0.86	1.37	1.37
Other financial liabilities	342.98	342.98	211.36	211.36
Total	**3,029.70**	**3,029.70**	**1,949.72**	**1,949.72**

(c) Fair value measurements

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Investments carried at fair value are generally based on market price quotations. Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iii) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorized as level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorized as level 2 in the fair value hierarchy.

(iv) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Note 44 - Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include investments, loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks. The group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the group. This financial risk committee provides assurance to the group's senior management that the group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings in foreign currencies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

Particulars	31st March 2023	31st March 2022
Variable rate borrowings	946.99	439.92
Fixed rate borrowings	204.79	93.76

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the group's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crores)

Particulars	Effect on Profit before tax	
	31st March 2023	31st March 2022
Increase by 50 basis points (31 March 2021: 50 bps)	(4.73)	(2.20)
Decrease by 50 basis points (31 March 2021 50 bps)	4.73	2.20

b) Foreign currency risks

The group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency.

Exposure to Currency Risk

The group's exposure to foreign currency risk at the end of the reporting period are as follows: **(₹ in Crores)**

Nature of Item	Currency	31st March 2023		31st March 2022	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Supplier's Credit	USD ($)	8.81	724.60	11.11	838.86
Supplier's Credit	CNY(¥)	5.47	64.57	-	-
Supplier's Credit	EURO	0.03	3.13	0.14	12.05
Debtors	USD ($)	1.76	144.20	1.58	120.18
Debtors	EURO	0.26	23.82	-	-
Term Loan	EURO	1.64	147.16	1.67	141.00
Interest Accrued but not due	EURO	0.00	0.04	0.00	0.03
Interest Accrued but not due	USD ($)	0.05	4.03	0.01	0.62

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the group's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Crores)

Particulars	Effect on Profit/(Loss) before tax	
	31st March 2023	31st March 2022
USD Sensitivity		
Increase by 5% (31st March 2022 - 5%)	(29.22)	(35.97)
Decrease by 5% (31st Mar 2022 - 5%)	29.22	35.97

(₹ in Crores)

Particulars	Effect on Profit/(Loss) before tax	
	31st March 2023	31st March 2022
EURO Sensitivity		
Increase by 5% (31st March 2022 - 5%)	(6.33)	(7.65)
Decrease by 5% (31st March 2022 - 5%)	6.33	7.65

B) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The group has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 2353.84 Crores and ₹ 2054.01 Crores as at March 31, 2023 and March 31, 2022 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and other financial assets

(i) Trade receivables

Customer credit risk is managed by each business location subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. Any Credit risk is curtailed with arrangements with third parties .

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Group does not hold collateral as security.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investment of surplus funds are made only with approved counterparties . The group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 is the carrying amount as illustrated in Note 43.

(C) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.'The Group monitors its risk of a shortage of funds by estimating the future cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Group invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk. 'The Group monitors its risk of a shortage of funds by estimating the future cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments -

(₹ in Crores)

Particulars	Upto 1 year	1 to 2 years	3 to 5 years	More than 5 years	Total
Period ended 31st March 2023					
Contractual maturities of borrowings	1,042.74	39.70	59.48	9.85	1,151.78
Contractual maturities of lease obligations	1.23	0.85	1.56	22.80	26.43
Contractual maturities of other financial liabiliti	269.63	-	-	-	269.63
Contractual maturities of trade payables	1,486.59	19.35	19.22	-	1,525.16

Particulars	Upto 1 year	1 to 2 years	3 to 5 years	More than 5 years	Total
Period ended 31st March 2022					
Contractual maturities of borrowings	425.46	37.65	55.63	11.27	530.01
Contractual maturities of lease obligations	1.08	1.22	2.16	23.05	27.51
Contractual maturities of other financial liabiliti	212.73	-	-	-	212.73
Contractual maturities of trade payables	751.12	10.36	10.30	-	771.79

Note 45 - Ind As 116

(i) Carrying value of Right-of-use assets by class:

The Group has lease contracts for land and buildings used in its operations. For Buildings the lease term generally varies between 2 to 5 years and for land it can extend upto 90 years.The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
Opening balance	66.01	42.69
Addition during the year		
Leasehold Land	13.57	24.01
Leasehold Building	-	0.74
Depreciation Expense		
Leasehold Land	2.33	0.46
Leasehold Building	0.88	0.97
Closing balance	76.37	66.01

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
As at 1st April 2022	9.38	6.59
Addition during the year	0.20	3.48
Add: Finance Cost	0.38	0.40
Less: Rent	1.25	1.09
As at 31st March 2023	**8.72**	**9.38**

The Group has not applied Ind As 116 on low value assets and short term leases.

Note 46 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures)

Particulars	31st March 2023	31st March 2022
Subsidiary Company	Shyam Sel And Power Limited	Shyam Sel And Power Limited Damodar Aluminium Private Limited (Upto 09/09/2021) Renaissance Hydro Power Private Limited (Upto 09/09/2021) Singhbhum Steel & Power Private Limited (Upto 09/09/2021) Kalinga Infra Projects Limited (Upto 09/09/2021)
Step-down Subsidiary Company	Hrashva Storage And Warehousing Private Limited Shyam Energy Limited Taurus Estates Private Limited Whispering Developers Private Limited Meadow Housing Private Limited Nirjhar Commercials Private Limited Shree Sikhar Iron & Steel Private Limited Shree Venkateshwara Electrocast Pvt Ltd Platinum Minmet Private Limited S.S. Natural Resources Private Limited (w.e.f. 23/05/2022) Shyam Metalics International DMCC (w.e.f. 17/08/2022) Shyam Metalics Flat Products Private Limited (w.e.f. 14/02/2023) Ramsarup Industries Limited (w.e.f. 23/05/2022)	Hrashva Storage And Warehousing Private Limited Shyam Energy Limited Taurus Estates Private Limited Whispering Developers Private Limited Meadow Housing Private Limited Nirjhar Commercials Private Limited Shree Sikhar Iron & Steel Private Limited Shree Venkateshwara Electrocast Pvt Ltd (w.e.f. 31/08/2021) Platinum Minmet Private Limited (w.e.f. 01/07/2021)
Associates	Meghana Vyapar Private Limited Kolhan Complex Private Limited	Meghana Vyapar Private Limited Kecons Tradecare Private Limited (upto 09/09/2021) Kolhan Complex Private Limited
Joint Venture	Mjsj Coal Limited Kalinga Energy Private Limited	Mjsj Coal Limited Kalinga Energy Private Limited
Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions/ balance during the year:	Platinum Minmet Private Limited Dorite Tracon Private Limited Shyam Solar Appliance Private Limited Narantak Dealcomm Limited Shyam Ferro Alloys Limited Swarnrekha Abasan Private Limited Shyam Emco Infrastructure Limited Sunglow Complex Private Limited Subham Capital Private Limited Brij Bhusan Agarwal & Sons Huf Toplight Mercantiles Private Limited Sygma Tubes and Pipes Private Limited Kalpataru Housefin & Trading Private Limited Subham Capital Private Limited Subhlabh Commercials Private Limited Britasia Hydro Power Private Limited Essel Plywood Private Limited Shyam Century Multiprojects Private Limited Shyam Greenfield Developers Private Limited Sindbad Hydro Power Limited S.S. Natural Resources Private Limited Improved Realtors Private Limited Elysian Beautification Private Limited	Platinum Minmet Private Limited Dorite Tracon Private Limited Shyam Solar Appliance Private Limited Narantak Dealcomm Limited Shyam Ferro Alloys Limited Swarnrekha Abasan Private Limited Shyam Emco Infrastructure Limited Sunglow Complex Private Limited Subham Capital Private Limited Brij Bhusan Agarwal & Sons Huf Toplight Mercantiles Private Limited Sygma Tubes and Pipes Private Limited (w.e.f. 05/10/2021) Kalpataru Housefin & Trading Private Limited Subham Capital Private Limited Subhlabh Commercials Private Limited Britasia Hydro Power Private Limited Essel Plywood Private Limited Shyam Century Multiprojects Private Limited Shyam Greenfield Developers Private Limited Sindbad Hydro Power Limited S.S. Natural Resources Private Limited Improved Realtors Private Limited Elysian Beautification Private Limited
Key Management Personnel:	Mr. Brij Bhushan Agarwal (Managing Director & Vice Chairman) Mr. Sanjay Kumar Agarwal (Joint Managing Director) Mr. Bhagwan Shaw (Whole Time Director) (upto 08/11/2022) Mr. Dev Kumar Tiwari (Whole Time Director) Mr. Deepak Kumar Agarwal (Whole Time Director) (Appointed as CFO w.e.f. 05.05.2023) Mr. Birendra Kumar Jain(Company Secretary) Mr. Shree Kumar Dujari (Chief Financial Officer) (upto 08/11/2022) Mr. Mahabir Prasad Agarwal (Non Executive Director and Chairman) Mr. Bajrang Lal Agarwal (Whole Time Director of SSPL) Mr. Venkata Krishna Nageswara Rao Majji (Independent Director) (upto 14/02/2023) Mr. Ashok Kumar Jaiswal (Independent Director) Mr. Yudhvir Singh Jain (Independent Director) Mr. Kishan Gopal Baldwa (Independent Director) Mr. Ajay Choudhury (Independent Director) (upto 14/02/2023) Mr. Susmit Changia (CFO of SSPL) Mrs. Rajni Mishra (Independent Director) Mrs. Kiran Vimal Agarwal (Non Executive Director) Mr. Rahul Gadodia (Whole Time Director) (w.e.f. 30/04/2022) Mr. Sumit Chakraborty (Whole Time Director) (w.e.f. 30/04/2022) Mr. Raj Prakash Verma (Company Secretary of SSPL) (upto 30/04/2022) Mr. Bikram Munka (Whole Time Director) Mr. Chandan Sharma (Company Secretary of SSPL) (w.e.f. 18/05/2022) Mr. Nand Gopal Khaitan (Independent Director) (w.e.f. 14/02/2023)	Mr. Brij Bhushan Agarwal (Managing Director & Vice Chairman) Mr. Sanjay Kumar Agarwal (Joint Managing Director) Mr. Bhagwan Shaw (Whole Time Director) Mr. Dev Kumar Tiwari (Whole Time Director) Mr. Deepak Kumar Agarwal (Whole Time Director) Mr. Birendra Kumar Jain(Company Secretary) Mr. Shree Kumar Dujari (Chief Financial Officer) Mr. Mahabir Prasad Agarwal (Non Executive Director and Chairman) Mr. Bajrang Lal Agarwal (Whole Time Director of SSPL) Mr. Venkata Krishna Nageswara Rao Majji (Independent Director) Mr. Ashok Kumar Jaiswal (Independent Director) Mr. Yudhvir Singh Jain (Independent Director) Mr. Kishan Gopal Baldwa (Independent Director) Mr. Ajay Choudhury (Independent Director) Mr. Susmit Changia (CFO of SSPL) Mrs. Rajni Mishra (Independent Director) Mrs. Kiran Vimal Agarwal (Non Executive Director) Mr. Bikram Munka (Whole Time Director) Mr. Raj Prakash Verma (Company Secretary of SSPL)
Particulars	**31st March 2023**	**31st March 2022**
Relatives to Key Management Personnel:	**Relative's Name - Relation** Mrs. Sumitra Devi Agarwal- Wife Of Shri Mahabir Prasad Agarwal Mrs. Mittu Agarwal - Wife Of Mr. Brij Bhushan Agarwal Mrs. Sangeeta Agarwal - Sister Of Mr. Brij Bhusan Agarwal Mrs. Anita Jhunjhunwala - Daughter Of Mr. Mahabir Prasad Agarwal Mrs. Bina Devi Agarwal - Wife Of Mr. Bajrang Lal Agarwal Mrs. Pooja Agarwal - Wife Of Mr. Sanjay Kumar Agarwal Mr. Shubham Agarwal - Son Of Mr. Brij Bhusan Agarwal Mrs. Vandana Dujari - Wife of Mr. Shree Kumar Dujari Mr. Bajrang Lal Agarwal - Father Of Mr. Sanjay Kumar Agarwal Mr. Mahabir Prasad Agarwal - Father Of Mr. Brij Bhushan Agarwal Mr. Divyansh Agarwal - Son of Mr. Sanjay Agarwal Mr. Sheetij Agarwal - Son Of Mr. Brij Bhushan Agarwal	**Relative's Name - Relation** Mrs. Sumitra Devi Agarwal- Wife Of Shri Mahabir Prasad Agarwal Mrs. Mittu Agarwal - Wife Of Mr. Brij Bhushan Agarwal Mrs. Sangeeta Agarwal - Sister Of Mr. Brij Bhusan Agarwal Mrs. Anita Jhunjhunwala - Daughter Of Mr. Mahabir Prasad Agarwal Mrs. Bina Devi Agarwal - Wife Of Mr. Bajrang Lal Agarwal Mrs. Pooja Agarwal - Wife Of Mr. Sanjay Kumar Agarwal Mr. Shubham Agarwal - Son Of Mr. Brij Bhusan Agarwal Mrs. Vandana Dujari - Wife of Mr. Shree Kumar Dujari Mr. Bajrang Lal Agarwal - Father Of Mr. Sanjay Kumar Agarwal Mr. Mahabir Prasad Agarwal - Father Of Mr. Brij Bhushan Agarwal Mr. Divyansh Agarwal - Son of Mr. Sanjay Agarwal Mr. Sheetij Agarwal - Son Of Mr. Brij Bhushan Agarwal

Disclosure of Related Party Transactions provides information about the Group's structure. The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year.

Terms and conditions of transactions with related parties:

The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance at the year-end are unsecured and interest free and settlement occurs in cash. For the period ended March 31,2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31,2022.: **NIL**). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(₹ in Crores)

Type of Tranactions	**Subsidiary, Associates and Joint Venture**		**Enterprises over which Key Management Personnel and / or their relatives have significant influence**		**TOTAL**	
	31.03.2023	**31.03.2022**	**31.03.2023**	**31.03.2022**	**31.03.2023**	**31.03.2022**
1. Sale of Goods						
Shyam Sel and Power Limited	567.86	229.81	-	-	567.86	229.81
Shree Venkateshwara Electrocast Private Limited	6.09	0.47	-	-	6.09	0.47
Platinum Minmet Private Limited	0.19	-	-	-	0.19	-
Ramsarup Industries Limited	7.46	-	-	-	7.46	-
Sygma Tubes & Pipes Private Limited	-	-	0.15	-	0.15	-
Shyam Ferro Alloys Limited	-	-	2.56	5.38	2.56	5.38
2. Purchase of Licence						
Shree Venkateswara Electrocast Private Limited	0.01	-	-	-	0.01	-
3.Office Maintenance (Expense)						
Improved Realtors Private Limited	-	-	0.03	0.04	0.03	0.04
4. Purchase of Goods						
Shyam Ferro Alloys Limited	-	-	9.45	2.05	9.45	2.05
Platinum Minment Pvt. Ltd.	0.16	1.08	-	-	0.16	1.08
Ramsarup Industries Limited	0.29	-	-	-	0.29	-
Shree Venkateshwara Electrocast Private Limited	0.94	0.22	-	-	0.94	0.22
Kalinga Infra Projects Limited	-	7.06	-	-	-	7.06
Shyam Sel and Power Limited	276.81	133.03	-	-	276.81	133.03
5. Dividend Received						
Shyam Sel and Power Limited	-	61.78	-	-	-	61.78
6. Dividend Paid						
Narantak Dealcomm Limited	-	-	22.90	36.64	22.90	36.64
Mahabir Prasad Agarwal	-	-	0.00	0.00	0.00	0.00
Brij Bhushan Agarwal	-	-	10.48	16.77	10.48	16.77
Mittu Agarwal	-	-	0.51	0.82	0.51	0.82
Kirandevi Vimal Agrawal	-	-	0.02	0.03	0.02	0.03
Sangeeta Agarwal	-	-	0.02	0.03	0.02	0.03
Brij Bhusan Agarwal & Sons HUF	-	-	1.01	1.62	1.01	1.62
Subham Buildwell Private Limited	-	-	31.74	50.79	31.74	50.79
Toplight Mercantiles Private Limited	-	-	0.31	0.50	0.31	0.50
Kalpataru Housefin & Trading Private Limited	-	-	9.63	15.41	9.63	15.41
Anita Jhunjhunwala			0.02	0.03		
Bajrang Lal Agarwal	-	-	0.00	0.00	0.00	0.00
Sanjay Kumar Agarwal	-	-	0.01	0.02	0.01	0.02
Subham Capital Private Limited	-	-	18.35	29.37	18.35	29.37
Dorite Tracon Private Limited	-	-	6.40	10.24	6.40	10.24
7. Rent Received (Net of TDS)						
Narantak Dealcomm Limited	-	-	0.04	0.04	0.04	0.04
Singhbhum Steel & Power Private Limited	-	0.01	0.02	-	0.02	0.01
Subham Capital Private Limited	-	-	0.05	0.05	0.05	0.05
8. Rent Paid (Net of TDS)						
Toplight Mercantile Private Limited	-	-	0.07	0.06	0.07	0.06
Improved Realtors Private Limited	-	-	0.02	0.02	0.02	0.02

Hrashva Storage and Warehousing Private Limited	0.01	0.03	-	-	0.01	0.03

9. Transactions with KMP

Salaries and other benefits to directors and executive	-	-	9.36	8.23	9.36	8.23
Advances to Directors	-	-	-	0.90	-	0.90

10.Sitting fees paid to independent directors

Mr. Ashok Kumar Jaiswal	-	-	0.01	0.04	0.01	0.04
Mr. Yudhvir Singh Jain	-	-	0.02	0.03	0.02	0.03
Mr. Ajay Choudhury	-	-	0.01	0.02	0.01	0.02
Mr. Venkat Krishna Nageshwara Rao Maji	-	-	-	0.01	-	0.01
Mr. Kishan Gopal Baldwa	-	-	0.01	0.03	0.01	0.03
Mr. N. G. Khaitan			0.00	-	0.00	-
Mr. Rajni Mishra	-	-	0.01	0.02	0.01	0.02

11. Purchase of Investments

Shyam Sel & Power Limited	175.08	0.10	-	-	175.08	0.10
Sheetij Agarwal Family Trust	-	-	0.15	-	0.15	-
Mittu Agarwal	-	-	0.15	-	0.15	-
Sumitra Devi Agarwal	-	-	0.07	-	0.07	-
Sheetij Agarwal	-	-	0.01	-	0.01	-
Mahavir Prasad Agarwal	-	-	0.01	-	0.01	-
Dorite Tracon Private Limited	-	-	-	4.85	-	4.85
Shree Venkateshwara Electrocast Private Limited	-	1.69	-	-	-	1.69
Narantak Dealcomm Limited	-	-	-	0.71	-	0.71
Subham Capital Private Limited	-	-	-	0.36	-	0.36

12. Sale of Investments

Narantak Dealcomm Limited	-	14.88	-	5.96	-	20.84
Subham Capital Private Limited	-	-	-	0.36	-	0.36
Dorite Tracon Private Limited	-	4.57	-	-	-	4.57
Shyam Sel and Power Limited	-	0.30	-	-	-	0.30

13. Loans and Advances Given/Refunded

Shyam Sel and Power Limited	1,660.72	662.88	-	-	1,660.72	662.88
Hrashva Storage and Warehousing Private Limited	8.43	14.25	-	-	8.43	14.25
Shree Sikhar Iron & Steel Private Limited	-	6.33	-	-	-	6.33
Platinum Minment Private Limited	4.94	32.90	-	-	4.94	32.90
Dorite Tracon Private Limited	-	-	25.13	37.84	25.13	37.84
Meadow Housing Private Limited	-	0.75	-	-	-	0.75
Kalpataru House Fin & Trading Private Limited	-	-	-	0.11	-	0.11
Shree Venkateshwara Electrocast Private Limited	15.17	43.58	-	-	15.17	43.58
Shyam Energy Limited	2.62	0.13	-	-	2.62	0.13
Kolhan Complex Private Limited	0.01	-	-	-	0.01	-
Meghana Vyapaar Private Limited	4.73	-	-	-	4.73	-
Narantak Dealcomm Limited	-	-	174.94	255.89	174.94	255.89
Ramsarup Industries Limited	50.93	-	-	-	50.93	-
Shyam Metalics Flat Products Private Limited	17.59	-	-	-	17.59	-
Nirjhar commodities Private Limited	0.34	-	-	-	0.34	-
Sygma Tubes and Pipes Private Limited	-	-	3.22	-	3.22	-
Shyam Metalics International DMCC	0.22	-	-	-	0.22	-
S S Natural Resources Private Limited	107.61	-	-	-	107.61	-
Shyam Ferro Alloys Limited	-	-	-	50.14	-	50.14
Whispering Developers Private Limited	5.57	0.50	-	-	5.57	0.50
Singhbhum Steel & Power Private Limited	-	-	0.07	-	0.07	-

Subham Buildwell Private Limited	-	-	-	71.79	-	71.79
Subham Capital Private Limited	-	-	31.56	65.42	31.56	65.42
Toplight Mercantile Private Limited	-	-	3.19	20.42	3.19	20.42

14. Loans and advances Received back/taken

Shyam Sel and Power Limited	1,371.06	769.56	-	-	1,371.06	769.56
Hrashva Storage and Warehousing Private Limited	8.37	13.97	-	-	8.37	13.97
Dorite Tracon Private Limited	-	-	25.06	33.22	25.06	33.22
Ramsarup Industries Limited	15.38	-	-	-		
Platinum Minment Private Limited	0.77	1.03	-	-	0.77	1.03
Shree Venkateshwara Electrocast Private Limited	31.58	1.72	-	-	31.58	1.72
Kalpataru HouseFin & Trading Private Limited	-	-	-	0.11	-	0.11
Kolhan Complex Private Limited	0.01	-	-	-	0.01	-
Singhbhum Steel & Power Private Limited	-	-	0.07	-	0.07	-
SS Natural Resources Private Limited	32.12	-	-	-	32.12	-
Meghana Vyapaar Private Limited	4.83	0.00	-	-	4.83	0.00
Narantak Dealcomm Limited	-	-	155.40	223.63	155.40	223.63
Nirjhar commodities Private Limited	0.34	-	-	-	0.34	-
Shyam Energy Limited	2.62	2.61	-	-	2.62	2.61
Shyam Ferro Alloys Limited	-	-	8.33	50.14	8.33	50.14
Subham Buildwell Private Limited	-	-	-	38.87	-	38.87
Subham Capital Private Limited	-	-	24.45	84.81	24.45	84.81
Toplight Mercantile Private Limited	-	-	0.23	11.10	0.23	11.10

15. Interest on Loan Given

		-		-	-	-
S S Natural Resources Private Limited	13.99	-	-	-	13.99	-
Shyam Sel and Power Limited	-	5.79	-	-	-	5.79
Hrashva Storage and Warehousing Private Limited	0.05	-	-	-	0.05	-
Platinum Minment Pvt. Ltd.	1.77	-	-	-	1.77	-
Ramsarup Industries Limited	0.42	-	-	-	0.42	-
Shree Venkateshwara Electrocast Pvt Ltd	2.41	-	-	-	2.41	-

16. Interest on Loan Taken

Narantak Dealcomm Limited	-	-	0.34	0.25	0.34	0.25
Meghana Vyaapar Private Limited	0.02	-	-	-	0.02	-
Subham Capital Private Limited	-	-	0.04	-	0.04	-
Toplight Mercantile Private Limited	-	-	0.03	0.04	0.03	0.04
Dorite Tracon Private Limited	-	-	0.07	-	0.07	-

17. Balances outstanding on account of Receivables/(Payable)

Dorite Tracon Private Limited	-	-	-	(0.67)	-	(0.67)
Damodar Aluminium Private Limited	-	-	0.01	0.01	0.01	0.01
Shyam Sel and Power Limited	17.99	-	-	-	17.99	-
S S Natural Resources Private Limited	257.92	-	-	0.01	257.92	0.01

Hrashva Storage and Warehousing Private Limited	-	3.88	-	-	-	3.88
Meadow Housing Private Limited	-	0.75	-	-	-	0.75
Kolhan Complex Private Limited	-	1.20	-	-	-	1.20
Subham Capital Private Limited	-	-	-	(8.87)	-	(8.87)
Toplight Merchantiles Private Limit	-	-	-	(2.88)	-	(2.88)
Platinum Minment Private Limited	-	30.86	-	-	-	30.86
Whispering Developers Private Limited	5.57	-	-	-	5.57	-
Shyam Ferro Alloys Limited	-	-	0.87	-	0.87	-
Shree Venkateshwara Electrocast Private Limited	32.70	41.64	-	-	32.70	41.64
Ramsarup Industries Limited	50.90	-	-	-	50.90	-
Sygma Tubes and Pipes Private Limited	-	-	3.00	-	3.00	-
Shyam Energy Limited	0.13	0.12	-	-	0.13	0.12
Shyam Solar Appliances Private Limited	-	-	-	-	-	-
Elysian Beautification Private Limited	-	-	-	-	-	-
Narantak Dealcomm Limited	-	-	-	(7.91)	-	(7.91)
Meghana Vyaapar Private Limited	-	-	-	(3.71)	-	(3.71)

* 0.00 Figure represents value less than Rs. 1 Lakh.

Note 47 - Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Group. The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities. The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
Borrowings (Note - 19, 24 and 26)	1,151.78	533.67
Trade payables (Note-25)	1,525.37	1,193.94
Less: Cash and cash equivalents (Note-11)	74.78	91.90
Less: Current investments (Note - 9)	531.62	685.68
Net debt	**2,070.75**	**950.04**
Equity	255.08	255.08
Other Equity	6,907.37	5,579.59
	7,162.44	**5,834.67**
Capital and net debt	345.89	614.15
Gearing ratio	22.43%	14.00%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31,2023 and years ended March 31,2022.

Note 48 - Additional Information

i) Expenditure in Foreign Currency (on accrual basis) **(₹ in Crores)**

Particulars	31st March 2023	31st March 2022
Others	9.81	0.05
Raw Materials	2061.70	1,002.65
Interest on Loan	2.57	0.17

ii) Earnings in Foreign Currency (on accrual basis) `

Particulars	31st March 2023	31st March 2022
Exports (F.O.B. value)	1,166.97	1,554.22

Note 49 - The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.94% and the reported tax expense in profit or loss are as follows :-

Effective Tax Reconciliation **(₹ in Crores)**

	31st March 2023	31st March 2022
Accounting profit before income tax	**1,041.83**	**2,364.33**
Enacted tax rate in India	34.94%	34.94%
Computed expected tax expenses	364.06	826.19
Tax holidays	(185.93)	(212.62)
Income exempted from tax	-	(61.78)
Other Adjustments	15.29	88.38
Income Tax recognised in Profit and Loss account	**193.42**	**640.17**

Note 50 - Value of imports calculated on CIF Basis

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
Raw Materials	1,754.38	1,002.65

Note 51

Shyam SEL and Power Ltd (Shyam SEL), a 100% material subsidiary company of Shyam Metalics and Energy Ltd, one of the leading player in the steel and power industry, is in process of acquiring Mittal Corp Ltd (Mittal Corp) in the Stainless Steel category through the Insolvency and Bankruptcy Code (IBC)

At present, all the pending litigations of Mittal Corp Limited has been resolved and settled. An application for approval of Resolution Plan has been filed with the Hon'ble NCLT, Mumbai Bench. The matter has been heard and is reserved for order.

Note 52

(a) Corporate guarantee of Shyam Sel and Power Limited executed in the favour of IDFC first bank Ltd amounting to ₹ 25 crore and in the favour of Axis Bank Ltd amounting to ₹ 40 crore for Shree Venkateswara Electrocast Pvt Ltd. to the extent of principal loan facility.
(b) Corporate guarantee of Shyam Sel and Power Limited executed in the favour of ICICI bank Ltd amounting to ₹ 50 crore and in the favour of Axis Bank amounting to ₹ 50 crore for Nirjhar Commodities Pvt. Ltd. to the extent of principal loan facility.
(c) Corporate guarantee of Shyam Sel and Power Limited executed in the favour of ICICI bank Ltd amounting to ₹ 50 crore for Shyam Solar Appliance Pvt Ltd. to the extent of principal loan facility.

(d) Corporate guarantee of the company executed in the favour of ICICI Bank Ltd amounting to ₹ 5 crore for Glowing Realty Pvt. Ltd. To the extent of principal loan facility.

Note 53

The Company has completed the acquisition process of Ramsarup Industries Limited through its step-down subsidiary, SS Natural Resources Private Limited pursuant to the order of Supreme Court vide its Order dated 12th May 2022. Pursuant to this order management and control of the Ramsarup Industries Ltd has been handed over to the Company. The Company has started consolidating the accounts of Ramsarup Industrues Ltd effective from Quarter Ending 30th September, 2022.

Note 54

Shyam SEL and Power Ltd (Shyam SEL), a 100% material subsidiary company of Shyam Metalics and Energy Ltd,) has formed 100% wholly owned subsidiary in Shyam Metalics International DMCC and incurred some initial expenses towards formation of the company and other incidental expenses. The Company is yet to remit fund towards Share capital because of pending UIN registration with RBI. Shyam Metalics International DMCC as per the prevailing laws of the UAE countries has already issued a share certificate in the name of the comapny.

Note 55 - Long Term and Derivative Contract

The group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Note 56 - Disclosure of Transactions with Struck off Companies

The group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year

Note 57

No Transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III :
a) Crypto Currency or Virtual Currency
b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
c) Registration of charges or satisfaction with Registrar of Companies
d) Relating to borrowed funds :
 i. Wilful defaulter
 ii. Discrepancy in utilisation of borrowings
 iii. Current maturity of long term borrowings
e) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
h) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Company shall:
 i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 58

Figures of previous years have been regrouped / rearranged / rectified wherever necessary to make them comparable with the current periods figures

59. List of Subsidiaries, Associates & Joint Ventures included in the Consolidated Financial Statements are as under:

Name of Companies	Country of Incorporation	31st March 2023	31st March 2022
Subsidiary			
Shyam Sel & Power Limited	India	100.00%	100.00%
Step Down Subsidiary			
Shyam Energy Ltd	India	87.12%	87.12%
Platinum Minmet Pvt Ltd	India	100.00%	100.00%
Shree Venkateshwara Electrocast Private Limited	India	90.00%	90.00%
Ramsarup Industries Limited	India	60.00%	0.00%
Shyam Metalics Flat Product Private Limited	India	100.00%	0.00%
Shyam Metalics International DMCC	Uae	100.00%	0.00%
Hrashva Storage and Warehousing Pvt Ltd	India	100.00%	100.00%
S.S. NATURAL RESOURCES PRIVATE LIMITED	India	60.00%	0.00%
Meadow Housing Pvt. Ltd.	India	71.43%	71.43%
Taurus Estates Pvt. Ltd	India	89.29%	89.29%
Whispering Developers Pvt. Ltd.	India	67.57%	67.57%
Nirjhar Commodities Pvt. Ltd	India	51.00%	58.00%
Shree Sikhar Iron & Steel Pvt Ltd	India	99.91%	99.91%
Associate			
Meghana Vyapaar Private Limited	India	33.51%	33.51%
Kolhan Complex Private Limited	India	41.28%	41.28%
Joint Venture			
MJSJ Coal Limited	India	9.00%	9.00%
Kalinga Energy & Power Ltd.	India	50.00%	50.00%

Shyam Metalics and Energy Limited

60. Notes to the consolidated Financial Statements for the year ended 31st March 2023 **(₹ in Crores)**

Name of the entity in the group	31st March 2023							
	Net Assets i.e. total assets minus Liabilities		Share in profit and loss		Share in other comprehensive		Share in total comprehensive income	
	As % of Consolidated Net Assets	(Amount in Rs. Crores)	As % of Consolidated Profit & Loss	(Amount in Rs. Crores)	As % of Consolidated Other Comprehensive Income	(Amount in Rs. Crores)	As % of Consolidated Total Comprehensive Income	(Amount in Rs. Crores)
Parent								
Shyam Metalics and Energy Limited	51.02%	3,851.04	35.25%	299.04	108.08%	16.60	36.54%	315.64
Subsidiaries								
Shyam Sel & power Limited	49.08%	3,704.85	70.71%	599.88	-8%	(1.24)	69.31%	598.64
Step down subsidiaries								
Whispering Developers Private Limited	0.00%	0.05	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
Platinum Minmet Pvt Ltd	-0.01%	(0.77)	-0.19%	(1.61)	0.00%	0.00	-0.19%	(1.61)
Taurus Estates Private Limited	0.00%	0.26	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Shyam Energy Limited	0.25%	18.99	-0.01%	(0.05)	0.00%	0.00	-0.01%	(0.05)
Shree Venkateshwara Electrocast Private Limited	-0.05%	(3.68)	0.19%	1.59	0.00%	0.00	0.18%	1.59
Meadow Housing Private Limited	0.01%	0.46	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Ramsarup Industreis Limited	12.07%	911.24	-2.99%	(25.39)	0.00%	0.00	-2.94%	(25.39)
Shyam Metalics Flat Products Private Limited	0.00%	0.01	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
S.S. Natural Resources Private Limited	-0.14%	(10.75)	-0.18%	(1.54)	0.00%	0.00	-0.18%	(1.54)
Shyam Metalics International DMCC	0.01%	0.85	-0.02%	(0.16)	0.00%	0.00	-0.02%	(0.16)
Hrashva Storage And Warehousing Private Limited	0.05%	3.56	0.08%	0.69	0.00%	0.00	0.08%	0.69
Shree Sikhar Iron & Steel Private Limited	0.05%	3.91	0.00%	(0.03)	0.00%	0.00	0.00%	(0.03)
Nirjhar Commodities Private Limited	-0.01%	(0.45)	-0.04%	(0.35)	0.00%	0.00	-0.04%	(0.35)
Non controlling Interest in all Subsidiaries	5.11%	385.62	0.00%	-	0.00%	0.00	0.00%	-
Associates								
Meghana Vyapar Private Limited	0.25%	18.60	0.05%	0.41	0.00%	0.00	0.05%	0.41
Kolhan Complex Private Limited	0.00%	-	0.00%	-	0.00%	0.00	0.00%	-
Joint Venture							0.00%	
Kalinga Energy & power Limited	-0.01%	(0.79)	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
Adjustments due to consolidation	-17.69%	(1,334.93)	-2.84%	(24.06)	0.00%	0.00	-2.79%	(24.06)
TOTAL	**100%**	**7,548.07**	**100%**	**848.41**	**100%**	**15.36**	**100%**	**863.76**

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : The 24th Day of May, 2023

Deepak Agarwal
Executive Director and Chief Financial Officer
DIN 00560010

Birendra Kumar Jain
Company Secretary
M. No - A8305

INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF SHYAM METALICS AND ENERGY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SHYAM METALICS AND ENERGY LIMITED** (hereinafter referred to as the “Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of other subsidiaries as was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (the “Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022 and its consolidated profit, total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SA”s) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Group in accordance with the ‘Code of Ethics' issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of report of the other auditors referred to in the “Other Matter” section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 46 to the consolidated financial statements regarding the impact of COVID-19 on the financial statements. The group has not considered the possible effects that may result from the pandemic relating to COVID-19 as same is not material. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these financial statements and the group will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	**How our audit addressed the key audit matter**
Revenue from Sale of Goods [Refer to Note 30 to the consolidated financial statements]	
The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the sales price, the Group considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues. The risk is, therefore, that revenue is not recognized in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition. • Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized in accordance with Ind AS 115. • Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying documents. • Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents. • Assessed the relevant disclosures made in the consolidated financial statements.

The Group's Exposure to Litigations Risk and related disclosure of Contingent Liabilities [Refer to Note 41 (b) to the consolidated financial statements]

As at March 31, 2022, the Group has exposures towards litigations relating to different laws, regulations and interpretations. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws / regulations, it is considered to be a Key Audit Matter.	Our audit procedures included the following: • Understood the process followed by the Group for assessment of litigations and determination of Contingent Liabilities relating to relevant laws and regulations. • Inquired with the management for recent developments and the status of the material litigations which were reviewed and noted. • Examined the assumptions used in estimation of the tax provision and the possible outcome of the disputes underlying calculations supporting the contingent liabilities/other significant litigations disclosed in the consolidated financial statements. • Evaluated management's assessments and position by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements. • Assessed the adequacy of the Group's disclosures in the consolidated financial statements. Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Consolidated Financial Statements is considered to be reasonable.

Information other than the Consolidated Financial statements and Auditor's Report Thereon

The Parent's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Parent's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, including consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of respective management's use of the going concern basis of accounting in preparation of the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The accompanying Statement includes the audited financial statements and other financial information, in respect of:

- 14 subsidiaries (including both direct and indirect), whose financial statements include total assets of Rs. 4639.33 crores as at March 31, 2022, total revenues of Rs. 5776.32 crores, total net profit after tax of Rs. 981.35 crores and total comprehensive income of Rs. 984.10 crores, for the year ended March 31, 2022, as considered in the consolidated financial statement which have been audited by their respective independent auditors.

• 3 associates and 3 joint ventures (including both direct and indirect), whose financial statements include Group's share of net profit of Rs. 0.40 crores for the year ended March 31, 2022, as considered in the consolidated financial statements whose financial statements and other financial information have been audited by their respective independent auditors.

The independent auditor's report on the financial statements and on the other financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated financial statements, our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the report of other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors and the reports of other statutory auditors, none of the directors of the Group is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Parent and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

(g) In our opinion and to the best of our information and in accordance to the explanations given to us, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Parent and its subsidiaries to its directors in accordance with the provisions of section 197 read with the Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of report of the other auditors on separate financial statements, as noted in the "Other Matter" paragraph:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41 (b) to the consolidated financial statements;

(ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (A) The Respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ["Ultimate Beneficiary(ies)"] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary(ies);

(B) The Respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entity ["Funding Parties"], with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party(ies) ["Ultimate Beneficiary(ies)"] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the management representations set out in sub-clause (A) and (B) above, contain any material misstatement.

(v) As stated in Note 17 to the consolidated financial statements:

(A) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with Section 123 of the Act, as applicable.

(B) The interim dividend declared and paid by the Parent during the year and until the date of this report is in compliance with Section 123 of the Act.

(C) The Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No. – 306033E/E300272

Vivek Agarwal
Partner
Membership No: 301571
UDIN: 22301571AJFCXD5985

Place: Kolkata
Date: 18th of May, 2022

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shyam Metalics and Energy Limited of even date)

(xxi) According to the information and explanations given to us, and based on the Companies (Auditor's Report) Order (CARO) reports issued by and the information provided by the auditors of the companies included in the consolidated financial statements of the Company, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No. – 306033E/E300272

Vivek Agarwal
Partner
Membership No: 301571
UDIN: 22301571AJFCXD5985

Place: Kolkata
Date: 18th of May, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shyam Metalics and Energy Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of **SHYAM METALICS AND ENERGY LIMITED** (hereinafter referred to as "the Parent"), with reference to consolidated financial statements of the parent and such companies incorporated in India under the Companies Act, 2013, which are its subsidiary companies, as of that date.

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to the consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note")

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to such companies incorporated in India which are its subsidiary companies, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our Opinion is not modified in respect of the above matter.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants
Firm Registration No. – 306033E/E300272

Vivek Agarwal
Partner
Membership No: 301571
UDIN: 22301571AJFCXD5985

Place: Kolkata
Date: 18^{th} of May, 2022

Shyam Metalics and Energy Limited
CIN: U40101WB2002PLC095491
Consolidated Balance Sheet as at 31st March, 2022 (₹ in

Particulars	Note no.	As at 31st March, 2022	As at 31st March, 2021
Assets			
Non-Current Assets			
a) Property, Plant and Equipment	2	2,383.52	1,758.87
b) Right-of-use assets	2A	66.01	42.69
c) Capital work-in-progress	3	768.28	506.40
d) Intangible Assets	4	5.09	0.65
e) Investments in associates and joint ventures	5	1.57	11.95
f) Financial Assets			
i) Investments	5a	348.68	54.63
ii) Other Financial Assets	6	38.96	46.12
g) Other Non-current Assets	7	139.19	252.47
h) Deferred Tax Assets (Net)	22	-	6.77
Total non-current assets (A)		**3,751.30**	**2,680.55**
Current Assets			
a) Inventories	8	2,057.03	1,030.23
b) Financial Assets			
i) Investments	9	685.68	215.24
ii) Trade Receivables	10	376.10	533.55
iii) Cash and Cash equivalents	11	91.90	163.84
iv) Bank balances other than (iii) above	12	233.98	159.94
v) Loans	13	172.89	16.18
vi) Other Financial Assets	14	105.83	81.02
c) Current tax assets (net)	15	37.25	0.15
d) Other Current Assets	16	913.06	539.22
Total current assets (B)		**4,673.72**	**2,739.37**
Total Assets (A + B)		**8,425.02**	**5,419.92**
Equity and Liabilities			
a) Equity Share Capital	17	255.08	233.61
b) Other Equity	18	5,579.59	3,400.41
Total Equity (A)		**5,834.67**	**3,634.02**
Non Controlling Interest (B)		**3.99**	**4.35**
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	19	125.83	120.25
ii) Lease Liabilities	24 A	5.96	6.01
iii) Others Financial Liabilities	20	12.42	9.73
b) Provisions	21	14.01	10.59
c) Deferred Tax Liabilities (Net)	22	107.28	-
d) Other Non-current Liabilities	23	171.01	203.04
Total non-current liabilities (C)		**436.52**	**349.62**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	24	407.84	669.15
ii) Lease Liabilities	24 A	3.41	0.58
iii) Trade Payables			
(a) Total Outstanding dues of micro enterprises and small enterprises	25	7.84	3.92
(b) Total Outstanding dues of other than micro enterprises and small enterprises		1,186.10	363.12
iv) Other Financial Liabilities	26	200.31	63.21
b) Other Current Liabilities	27	304.41	295.61
c) Provisions	28	29.75	29.28
d) Current Tax Liabilities (Net)	29	10.18	7.06
Total current liabilities (D)		**2,149.85**	**1,431.93**
Total Equity and Liabilities (A + B + C + D)		**8,425.02**	**5,419.92**
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	1 to 58		

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : The 18th Day of May, 2022

For and on behalf of the Board of Directors
Shyam Metalics and Energy Limited

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
MRN A8305

Shyam Metalics and Energy Limited
CIN: U40101WB2002PLC095491
Consolidated Statement of Profit & Loss for the period ended 31st March, 2022 **(₹ in Crores)**

	Particulars	Notes	31st March, 2022	31st March, 2021
	INCOME			
I	Revenue from operations	30	10,393.96	6,297.07
II	Other Income	31	60.01	23.72
III	**Total Income (I+II)**		**10,453.97**	**6,320.79**
IV	**EXPENSES**			
	Cost of material consumed	32	6,460.87	3,716.74
	Purchase of stock-in-trade		32.54	67.58
	Change in inventories of finished goods, stock in trade and work -in-progress	33	(180.87)	48.98
	Employee benefits expense	34	246.56	188.14
	Finance costs	35	23.16	62.46
	Depreciation and amortisation expense	36	272.40	300.36
	Other expenses	37	1,235.12	881.86
	Total Expense(IV)		**8,089.78**	**5,266.12**
V	**Profit/(loss) before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-**		**2,364.19**	**1,054.67**
VI	Share in Profit/(Loss) of Associate and Joint Venture		0.14	0.27
	Profit/(Loss) before tax (V+VI)		**2,364.33**	**1,054.94**
VII	Tax expense:	38		
	(i) Current tax		539.46	266.56
	Add: MAT Credit Utilized		100.79	-
	(ii) Deferred tax		(0.08)	(55.16)
VII	**Profit/(loss) for the period (VI-VII)**		**1,724.17**	**843.54**
IX	**Profit for the Year (VIII+IX+X)**		**1,724.18**	**843.54**
	Profit / Loss attributable to Non Controlling Interest		(0.36)	0.20
	Profit / Loss attributable to owners of the Parent		1,724.54	843.34
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit and loss			
	- Remeasurement of Defined Benefit Plan		(1.02)	0.68
	- Equity instruments at fair value through other comprehensive income;		57.35	5.89
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(12.76)	(1.42)
	Other comprehensive income for the year		**43.57**	**5.15**
XI	**Total Comprehensive Income for the period (XI+XII)**		**1,767.75**	**848.69**
	Comprehensive Income attributable to Non Controlling Interest		(0.36)	0.20
	Comprehensive Income attributable to owners of the Parent		1,768.11	848.49
XII	**Earning per Equity Share of ₹ 10 each (in ₹)**			
	Basic(₹)	39	**68.91**	**36.10**
	Diluted(₹)		**68.91**	**36.10**
	Significant Accounting Policies	1		
	Notes forming part of the Financial Statements	1 to 58		

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

Vivek Agarwal
Partner
Membership No. : 301571
Place: Kolkata
Date : The 18th Day of May, 2022

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
MRN A8305

Shyam Metalics and Energy Limited
CIN: U40101WB2002PLC095491
Consolidated Statement of Changes in Equity for the year ended 31st March 2022

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2022	233.61	21.47	255.08
For the year ended March 31, 2021	233.61	-	233.61

Total Equity (₹ in Crores)

Particulars	Reserve and surplus								
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	Equity instruments through other comprehensive income	Remeasurement of the net defined benefit plans	Total Attributable to Owners of the parent	Attributable to Non Controlling Interest	Total Other Equity
Balance at 1st April 2021	**178.15**	**2,805.93**	**384.61**	**1.10**	**30.62**	**-**	**3,400.41**	**4.35**	**3,404.76**
Profit / (Loss) for the year	-	1,724.54	-	-	-	-	1,724.54	(0.36)	1,724.18
Profit on sale of Investment	-	-	-	-	(0.28)	-	(0.28)	-	(0.28)
Dividend Paid	-	(183.66)	-	-	-	-	(183.66)	-	(183.66)
Income tax effect	-	-	-	-	(12.61)	0.17	(12.44)	-	(12.44)
Security Premium Received	604.21	-	(20.08)	-	-	-	584.13	-	584.13
Other Comprehensive Income	-	-	-	-	67.24	(0.83)	66.41	-	66.41
Transfer to Retained earnings	-	(0.18)	-	-	-	0.66	0.48	-	0.48
Balance at 31st March 2022	**782.36**	**4,346.63**	**364.53**	**1.10**	**84.97**	**-**	**5,579.59**	**3.99**	**5,583.58**
Balance at 1st April 2020	**178.15**	**2,006.25**	**383.87**	**1.10**	**23.47**	**-**	**2,592.84**	**4.15**	**2,596.99**
Profit / (Loss) for the year	-	843.34	-	-	-	-	843.34	0.20	843.53
Income Tax Effect	-	-	-	-	1.12	(0.12)	1.00	-	1.00
Profit on sale of Investment	-	-	-	-	0.03	-	0.03	-	0.03
Disposal of Subsidiary	-	0.01	-	-	-	-	0.01	-	0.01
Merger Impact	-	-	0.74	-	-	-	0.74	-	0.74
Dividend Paid	-	(43.22)	-	-	-	-	(43.22)	-	(43.22)
Transferred to Demerged Division	-	(0.89)	-	-	-	-	(0.89)	-	(0.89)
Transfer to Retained earnings	-	0.44	-	-	-	(0.44)	-	-	-
Other Comprehensive Income	-	-	-	-	6.00	0.56	6.56	-	6.56
Balance at 31st March 2021	**178.15**	**2,805.93**	**384.61**	**1.10**	**30.62**	**-**	**3,400.41**	**4.35**	**3,404.75**

Notes forming part of the financial statements **Note 1 to 58**

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : The 18th Day of May, 2022

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
MRN A8305

Shyam Metalics and Energy Limited
CIN: U40101WB2002PLC095491
Consolidated Statement of Cash Flow **(₹ in Crores)**

Particulars	For the Period Ended	
	31 March 2022	31 March 2021
A. Cash flow from operating activities:		
Net Profit Before Tax	2,364.33	1,054.96
Adjustments for:		
Depreciation	272.40	300.36
Provision for Gratuity	0.90	1.78
Dividend Received	(0.20)	(0.08)
Unspent Liabilities written back and Unclaimed Balances adjusted	(11.00)	(11.61)
Unrealised Foreign Exchange Fluctuations	(3.11)	(12.74)
Gain on fair value of mutual fund investment	(13.42)	(1.01)
Gain in fair value of equity instruments through Profit and loss	(0.33)	(8.53)
Profit on Sale of Investments	(16.45)	(1.33)
Interest Income	(27.43)	(11.50)
Interest & Finance charges	23.16	62.46
Operating Profit Before Working Capital Changes	**2,588.85**	**1,372.76**
Adjustments for :		
Increase/(Decrease) in Trade and other payables	827.61	(213.30)
Decrease / (Increase) in Trade Receivable	160.23	(364.69)
Decrease / (Increase) in Inventories	(1,026.79)	456.48
Decrease / (Increase) in other assets	(285.45)	(6.51)
Cash flow from operating activities before taxes	**2,264.45**	**1,244.75**
Direct Taxes Paid (net)	(574.90)	(188.58)
Net cash flow from operating activities (A)	**1,689.55**	**1,056.17**
B. Cash flow from investing activities:		
Purchase of Property Plant & Equipment (Net)	(1,071.40)	(361.05)
(Increase)/ Decrease in Investment (Net)	(723.86)	(126.92)
Dividend Received	0.20	0.08
Loans Refunded/ (Given)	(161.27)	(16.13)
Interest Received	29.79	5.38
Net cash from investing activities (B)	**(1,926.54)**	**(498.64)**
C. Cash flow from financing activities:		
Repayments/Proceeds from Borrowing (Net) & Current Maturities	(253.34)	(317.91)
Proceeds from issue of shares	625.58	-
Acquisition of Non Controlling Interest	(0.36)	0.20
Dividend Paid	(183.66)	(43.22)
Interest paid	(23.17)	(62.46)
Net cash from financing activities (C)	**165.05**	**(423.39)**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(71.94)**	**134.14**
Cash and cash equivalents at the beginning of the year	**163.84**	**29.70**
Cash and cash equivalents at the end of the year	**91.90**	**163.84**
Notes forming part of the financial statements	**Note 1 to 58**	

Notes to the cash flow statement

1. The above statement of cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Consolidated Statement of Cash Flow".

2. Cash and cash equivalent comprises of: **(₹ in Crores)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with banks - in current account	68.10	154.41
Cash credit account	2.70	3.46
Cheques/ DD on Hand	0.90	-
Unpaid Dividend account with bank	0.04	-
Fixed Deposits with maturity less than 3 months	18.82	5.23
Cash on hand	1.34	0.74
Total	**91.90**	**163.84**

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : The 18th Day of May, 2022

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
MRN A8305

Group Overview

Shyam Metalics and Energy Limited ('the group') is a public limited Group incorporated in India in 2002 under the Companies Act, 1956. The registered office of the Group is at Trinity Tower, 83 Topsia Road, 7th Floor, Kolkata – 700 046.

The Group is primarily engaged in business of manufacture and sale of Ferro Alloys, Iron & Steel products and power generation. Currently it has an integrated steel plant in Odisha and has it presence in wind power sector in the state of Maharashtra.

The financial statements for the year ended March 31, 2022 were approved for issue by Group's board of directors on May 18, 2022.

1 Significant Accounting Policies

The significant accounting policies applied by the Group in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

b. Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest millions, except otherwise stated.

c. Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1st April, 2021 and applied to the Consolidated financial statements.

d. Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

a. Ind AS 109: Annual Improvements to Ind AS (2021)
b. Ind AS 103: Reference to Conceptual Framework
c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its Consolidated financial statements.

e. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in quoted and unquoted equity shares
- Financial instruments

f. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

g. Use of estimates and critical accounting judgements

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

h. Property, plant and equipment

Recognition and initial measurement

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Impairment
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

On the date of transition to Ind AS that is 01-04-2015 the Group had taken fair value for land & building and plant & equipment as its deemed cost.

De-recognition
An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

i. Intangible assets
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets
Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer software	3 to 5 years

j. Depreciation and amortisation property plant and equipment and intangible assets
Depreciation or amortisation is provided so as to write off, on a Written down value basis, the cost of property, plant and equipment and other intangible assets to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives as per the useful life prescribed in Schedule II to the Companies Act, 2013, or, as per technical assessment, or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

In case of certain classes of PPE, the Group uses different useful lives than those prescribed in Schedule II to the Act in the below mentioned assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Asset Class	Group Policy	As per Sch. II
Non Factory Building	5-60 Years	60 Years
Office Equipment	3-5 Years	5 Years
Plant & Machineries	5-40 Years	20-40 Years

Freehold land is not depreciated.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

k. Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or CGU) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

l. Financial Instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following line:
• the entity's business model for managing the financial assets and

• the contractual cash flow characteristics of the financial asset.

Amortised Cost
A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:
• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Other Comprehensive Income
A financial asset shall be classified and measured at fair value through Other Comprehensive Income if both of the following conditions are met:
• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of unquoted equity investments which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments.

Fair Value through Profit or Loss
A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through Other Comprehensive Income.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group has measured quoted equity instruments at fair value through profit or loss.

Classification and Subsequent Measurement: Financial liabilities
Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at fair value through profit & loss
Financial liabilities are classified as at fair value through profit & loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit & loss:
Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Group recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

m. Employee benefits

Short term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Defined contribution plans
Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes

where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

n. Inventories

Raw materials are valued at cost on FIFO basis
Traded goods are valued on FIFO basis.

Work-in-progress and Finished Goods are valued at lower of Cost or Net Realizable Value on weighted average or FIFO basis, as applicable. Cost is taken as Factory cost of the products.

By products are valued at estimated Net Realizable Value and Stores and Spares on Weighted Average Basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

o. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

p. Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit and Loss

q. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Group must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

r. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

s. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term and the lease term is as follows.

Class of assets	Years
Leasehold land	99 Years
Buildings	2 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

t. Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made.

Sale of goods

Revenue from sale of products is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In the context of the sale of the products, separate performance obligations may arise from freight and transport services as well as from services directly related to the sale of the products. These services are generally performed at the time that the control of the products is transferred. In a few exceptional cases, the freight and transport services are performed after the control of the products has been transferred. In accordance with IND AS 115, the revenue relating to these freight and transport services is realised later than the corresponding product revenue. In determining the transaction price, the Group considers the effects of variable consideration such as discounts, volume rebates, or other contractual price reductions, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

In case of domestic sales, the Group believes that the control gets transferred to the customer on dispatch of the goods from the factory and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms. Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

Conversion Income

Revenue from sale of service is recognised when control has been transferred to the buyer usually when the delivery of goods after due process of conversion takes place, revenue is booked when all the performance obligations are satisfied. In determining the transaction price, the Group considers the effects of variable consideration such as discounts, volume rebates, or other contractual price reductions, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder’s rights to receive payment have been established.

u. Foreign currency transactions

The financial statements of the Group are presented in Indian rupees (₹), which is the functional currency of the Group and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Group’s functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are restated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the translation or settlement of other monetary items are included in the statement of profit and loss for the period.

v. Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

w. Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

x. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

y. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with the financial institutions, other short term, highly liquid investments with original maturities of three months or less (except the instruments which are pledged) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

z. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

aa. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

bb. Investment in subsidiaries and associates and joint venture

Investment in subsidiaries and associates are shown at deemed cost except investment in one subsidiary. Further where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of profit and loss.

cc. Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

dd. Expected Credit Loss

Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March, 2022

2. Property, Plant and Equipment

(₹ in Crores)

Particulars	Gross block					Accumulated depreciation					Net block
	1st April 2021	Addition on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st Mar 2022	1st April 2021	Accumulated depreciation on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st Mar 2022	31st Mar 2022
Freehold Land	213.97	-	15.12	-	229.09	-	-	0.00	-	0.00	229.09
Buildings	546.65	7.70	137.83	0.00	692.18	208.76	2.16	36.95	0.00	247.87	444.31
Plant and Equipment	2,396.59	18.00	727.77	0.00	3,142.36	1,194.73	12.01	232.02	-	1,438.76	1,703.60
Furniture and Fixture	2.32	0.00	0.12	-	2.44	1.34	0.00	0.28	-	1.62	0.82
Vehicles	5.78	0.30	1.44	0.00	7.52	1.85	0.27	1.00	0.26	2.86	4.66
Office Equipment	4.61	0.14	1.19	0.00	5.94	4.33	0.09	0.49	0.00	4.91	1.03
Total	**3,169.92**	**26.14**	**883.47**	**0.00**	**4,079.53**	**1,411.01**	**14.53**	**270.75**	**0.26**	**1,696.02**	**2,383.52**

(₹ in Crores)

Particulars	Gross block					Accumulated depreciation					Net block
	1st April 2021	Addition on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March, 2021	1st April 2020	Accumulated depreciation on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March, 2021	31st March, 2021
Freehold Land	213.31	-	2.22	1.57	213.97		-	-	-	-	213.97
Buildings	531.04	-	16.84	1.24	546.65	167.68	-	41.63	0.55	208.76	337.89
Plant and Equipment	2,326.10	-	70.49	-	2,396.59	938.92	-	255.81	-	1,194.73	1,201.86
Furniture and Fixture	1.63	-	0.70	-	2.32	1.07	-	0.27	-	1.34	0.98
Vehicles	5.05	-	0.73	-	5.78	1.25	-	0.60	-	1.85	3.93
Office Equipment	4.00	-	0.61	-	4.61	3.69	-	0.64	-	4.33	0.28
Total	**3,081.13**	**-**	**91.59**	**2.81**	**3,169.92**	**1,112.61**	**-**	**298.94**	**0.55**	**1,411.01**	**1,758.87**

(a) Individual assets of property, plant and equipment has been reclassified wherever necessary.

(b) Refer note 40(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(c) Refer note 19 & 24 for information on property, plant and equipment pledged as security by the Group.

2A. Right of Use Assets

(₹ in Crores)

Particulars	Gross block					Accumulated depreciation					Net block
	1st April 2021	Addition on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st Mar 2022	1st April 2021	Accumulated depreciation on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st Mar 2022	31st Mar 2022
Leasehold Building	4.04	-	0.74	-	4.78	1.37	-	0.97	-	2.34	2.44
Leasehold Land	41.90	24.01	-	-	65.91	1.88	-	0.46	-	2.34	63.57
Total	**45.94**	**24.01**	**0.74**	**-**	**70.69**	**3.24**	**-**	**1.43**	**-**	**4.68**	**66.01**

(₹ in Crores)

Particulars	Gross block					Accumulated depreciation					Net block
	1st April 2020	Addition on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March 2021	1st April 2020	Accumulated depreciation on account of acquisition of subsidiary	Additions	Disposals/ Adjustments	31st March 2021	31st March 2021
Leasehold Building	3.33	-	0.71	-	4.04	0.64	-	0.73	-	1.37	2.67
Leasehold Land	41.90	-	-	-	41.90	1.42	-	0.45	-	1.88	40.02
Total	**45.23**	**-**	**0.71**	**-**	**45.94**	**2.06**	**-**	**1.18**	**-**	**3.25**	**42.69**

3. Capital Work -in- Progress (₹ in Crores)

Particulars	1st April 2021	Additions	Disposals/ Adjustments	31st Mar 2022
Buildings	95.21	130.75	129.41	96.55
Plant & equipments	356.42	990.66	730.13	616.96
Land	54.77	-	-	54.77
Total	**506.41**	**1,121.41**	**859.54**	**768.28**

3. Capital Work -in- Progress (₹ in Crores)

Particulars	1st April 2020	Additions	Disposals/ Adjustments	31st March 2021
Buildings	48.58	91.24	44.61	95.21
Plant & equipments	137.21	274.92	55.71	356.42
Land	49.66	22.60	17.49	54.77
Total	**235.45**	**388.76**	**117.81**	**506.40**

Capital work-in-progress ageing schedule for the year ended March 31, 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	510.70	215.41	31.80	10.37	768.28
Total Capital work-in-progress	**510.70**	**215.41**	**31.80**	**10.37**	**768.28**

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	270.65	163.96	19.67	52.12	506.40
Total Capital work-in-progress	**270.65**	**163.96**	**19.67**	**52.12**	**506.40**

Note - There are no projects which are overdue as on 31.03.2022 and 31.03.2021 respectively.

4. Intangible assets (₹ in Crores)

Particulars	Gross block			Accumulated depreciation				Net block
	1st April 2021	Additions	Disposals/ Adjustments	1st April 2021	Additions	Disposals/ Adjustments	31st Mar 2022	31st Mar 2022
Software	2.19	5.58	-	1.54	1.14	-	2.68	5.09
Total	**2.19**	**5.58**	**-**	**1.54**	**1.14**	**-**	**2.68**	**5.09**

(₹ in Crores)

Particulars	Gross block			Accumulated depreciation				Net block
	1st April 2020	Additions	Disposals/ Adjustments	1st April 2020	Additions	Disposals/ Adjustments	31st March 2021	31st March 2021
Software	2.12	0.06	-	1.34	0.21	-	1.54	0.65
Total	**2.12**	**0.06**	**-**	**1.34**	**0.21**	**-**	**1.54**	**0.65**

Note 5 - Investments in associates and joint ventures (₹ in Crores)

Particulars	Number of shares			For the year ended	
	31st March 2022	31st March 2021	Face Value (In ₹)	31st Mar 2022	31st March 2021
Investments measured at cost/deemed cost					
Unquoted					
Investment in Associates					
Kolhan Complex Private Limited	1,61,200	1,61,200	10	1.20	1.45
Add: Share In Profit / (Loss)				-	-
				1.20	**1.45**
Kecons Trade Care Private Limited	-	74,07,500	10	-	10.00
Add: Share In Profit/(Loss)				-	0.01
				-	**10.01**
Meghana Vyapaar Private Limited	1,00,000	1,00,000	10	0.10	0.10
Add: Share In Profit/(Loss)				0.14	0.26
				0.24	**0.36**
Sub - Total				**1.44**	**11.82**
Investment in Joint Ventures					
Kalinga Energy & Power Ltd	1,25,000	1,25,000	10	0.13	0.13
Add: Share In Profit/(Loss)				-	(0.00)
				0.13	**0.12**
Karo River Pellets Private Limited	5,000	5,000	10	0.01	0.01
Add: Share In Profit/(Loss)				-	-
				0.01	**0.01**
Sub - Total				**0.14**	**0.13**
TOTAL				**1.57**	**11.95**

Note 5A - Investments (Non-Current)

Particulars	Number of shares			For the year ended	
	31st March 2022	31st March 2021	Face Value (In ₹)	31st Mar 2022	31st March 2021
Investments measured at fair value through					
Unquoted					
Investment in equity instruments					
Glowing Realty Private Limited	-	1,50,000	10	-	0.15
	-	**1,50,000**		**-**	**0.15**
Investments measured at fair value through other comprehensive income					
Unquoted					
Investment in equity instruments					
Dorite Tracon Private Limited	7,30,000	7,30,000	10	29.76	10.62
Narantak Dealcomm Limited	27,28,088	27,28,088	10	65.39	37.38
Platinum Minmet Private Limited	-	9,800	10	-	0.09
Subhlabh Commercials Private Limited	1,01,350	1,01,350	10	2.55	1.72
Shubham Capital Private Limited	3,57,000	3,57,000	10	10.22	4.09
Sunglow Complex Private Limited		9,800	10	-	0.08
Swarnrekha Abasan Private Limited		9,800	10	-	0.14
Karva Automart Limited	10,000	10,000	10	0.03	0.03
Shyam Ores(Jharkhand) Private Limited	200	-	10	0.00	-
				107.95	**54.15**
Investment In Land				**-**	**0.23**
Investment in Bond					
8.23% IRFC Tax Free Bond	1,00,000		100	10.09	-
State Bank of India Series I 7.72% Perpetual Bond	1,00,00,000		36	36.04	-
Investment in Mutual Funds					
SBI Fixed Maturity Plan Series 52 (1848 days)	89,99,550			9.15	-
Investment in Debentures					
Shriram Transport Finance Company Limited Series III	500	-	10,00,000	54.75	-
Vidya Trust 2021 Series IV PTC	34,632	-	10,000	32.68	-
Piramal Capital And Housing Finance Limited	5,89,500	-	975	48.51	-
IIFL Wealth Prime Limited	500	-	10,00,000	49.41	-
Investment in Government Securities					
National Saving Certificate (VII Issue)				0.10	0.10
Total				**348.68**	**54.63**
Aggregate amount of unquoted investments				**108.05**	**54.53**
Aggregate amount of quoted investments				**240.63**	**-**
Aggregate market value of quoted investments				**240.63**	**-**

* Persuant to the scheme of amalgamation between Hrashva Storage and Warehouse Private Limited and Shyam Sel and Power Limited

Note 6 - Other Financial Assets (Non-Current) (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
(Unsecured, considered good)		
Security deposits	14.17	9.09
Bank deposits for maturity more than 12 months	24.79	37.03
Total	**38.96**	**46.12**

(a) Fixed Deposits amounting to Rs. 25.72 Crores (31st March 2021 : 16.27 Crores) are held as margin money

7. Other non-current assets (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
(Unsecured, considered good)		
Capital advances	131.38	246.67
Deposits against demands under dispute	5.41	5.34
Prepaid expenses	2.37	0.46
Advance Tax	0.03	-
Total	**139.19**	**252.47**

8. Inventories (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
(Valued at lower of cost and Net Realisable Value)		
Raw Materials	1,563.04	726.12
Work in progress	12.69	2.53
Finished Goods	378.42	198.56
Stores and Spares	71.18	63.80
Fuel	1.29	0.90
Traded Goods	2.99	6.24
By Products	27.42	32.08
Total	**2,057.03**	**1,030.23**

Inventories are hypothecated to bank against working capital facility.

9. Current Investments

(i) Inventories have been pledged as security for liabilities (₹ in Crores)

Particulars	Number of shares 31st March 2022	Number of shares 31st March 2021	Face Value (In ₹)	31st Mar 2022	31st March 2021
Investment in Bond					
8.09% PFC Ltd	500	-		-	4.96
				-	**4.96**
Investments measured at fair value through other comprehensive income					
Quoted					
Investment in equity instruments					
Bajaj Finance ltd	6,547	6,547	2	4.75	3.37
Investment in preference shares					
Powergrid Infrastructure Investment Trust	5,41,200	-		7.25	-
Brookfield India Real Estate Trust Reit	58,400	58,400		1.83	1.30
SUB-TOTAL				**13.83**	**4.67**
Investment in Non- Convertible Debenture					
Miraya Reality Private Limited NCD Fv 1 Lac	56	56	1,00,000	0.58	0.70
Cornerview Constructions & Developers Private Limited	-	80	50,000	-	0.03
Shriprop Dwellers Private Limited	-	54	1,00,000	-	0.08
Shriprop Dwellers Private Limited	-	31	1,00,000	-	0.77
NCD Sterling Habitats Private Limited	4	4	1,00,000	0.02	0.06
Miraya Reality Private Limited NCD FCV 1.03Lac	94	94	1,00,000	0.99	1.12
Genie Commercial Ventures Pvt. Ltd	77	77	1,00,000	0.83	0.93
NCD Cornerview Constructions Pvt Ltd	-	72	50,000	-	0.05
Sterling Habitats Pvt Ltd	28	28	1,00,000	0.37	0.35
Sterling Habitats Pvt Ltd Pd 15	28	-		0.11	-
Vivriti Capital Private Limited	150	-		15.00	-
Piramal Enterprises Limited Br Ncd	400	-		40.00	-
Edelweiss Financial Services Ncd	100	-		10.00	-
Genie Commercial Ventures Pvt. Ltd.	5	5	1,00,000	0.05	0.05
Embassy Office Parks Reit Sr I	-	10	10,00,000	-	1.11
7.72% SBI Perp Call 03.09.2026 Tier I	18	-		18.35	-
8.41% NTPC Tax Free 2023	1,00,000	-		10.90	-
8.41% India Infrastructure Finance Co Ltd Tax Free Bonds	1,50,000	-		16.18	-
8.12% REC Tax Free Bonds	50,000	-		6.12	-
8.50% SBI Perpetual Bond	50	-		5.29	-
7.18% IRFC LTD	50,000	-		5.28	-
Vidya Trust 2021 Series Iv	34,632	-		34.63	-
Indian Renewable Energy Development Agency Limited	90	-		9.00	-
Icici Home Finance Co. Ltd- Bond Issuance	-	80	5,00,000	-	4.60
SUB-TOTAL				**173.70**	**9.85**

Shyam Metalics and Energy Limited
Notes to the consolidated Financial Statements for the year ended 31st March, 2022

Quoted					
Investment in Mutual Funds					
Aditya Birla Sun Life Equity Arbitrage Fund	1,50,93,074	-		34.34	-
Axis Arbitrage Fund	11,55,80,516	-		187.08	-
Icici Prudenctial Value Fund Series 20 Direct Plan	5,00,000	5,00,000	-	-	0.62
ICICI Prudential Mutual Fund - Arbirage Fund	-	-		37.43	-
Hdfc Housing Opportunities Fund- Direct Growth	10,00,000	10,00,000	-	-	1.10
Edelweiss Crossover Opportunities Fund	91,26,119	1,55,54,844	-	12.54	16.00
Edelweiss Real Estate Opportunities Fund.	20,530	29,520	-	17.75	23.74
Kotak Equity Arbitrage Fund - Direct Plan - Fortnight Dividend	1,99,05,932	-	-	35.38	60.28
ICICI Prudential Over Night Mutual Fund	-	-		45.00	-
Sbi Debt Fund Series - C - 7 (1190 Days) - Direct Growth	59,66,496	59,66,496	-	-	7.52
Tata Arbitrage Fund- Direct Plan- Growth	3,07,01,551	-	-	-	35.22
Sbi Fixed Maturity Plan Sr 52 Direct Growth	-	-		9.15	-
Nippon India Arbitrage Fund- Growth	2,29,90,227	-	-	38.22	50.18
Hdfc Housing Opportunities Fund Series 1	10,00,000	10,00,000	-	-	1.10
Kotak Equity Arbintrage Fund				81.26	-
SUB-TOTAL				**498.15**	**195.75**
TOTAL				**685.68**	**215.24**
Aggregate amount of quoted investments				**685.68**	**215.24**
Aggregate market value of quoted investments				**685.68**	**215.24**

10. Trade receivables **(₹ in Crores)**

Particulars	31st Mar 2022	31st March 2021
Trade receivables considered good (Unsecured)	256.99	375.45
Trade receivables considered good (Secured)	118.40	158.10
Trade receivables - credit impaired	3.36	1.61
	378.75	**535.16**
Less: Allowances for credit losses	(2.65)	(1.61)
Total	**376.10**	**533.55**

Expected Credit Loss - In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Trade Receivables ageing schedule for the year ended as on 31.03.2022

Ageing of Trade Receivables

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable - Considered Good	52.38	314.01	7.52	2.14	0.09	0.10	376.24
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	0.76	0.40	0.10	1.26
Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	1.25	1.25
	52.38	**314.01**	**7.52**	**2.91**	**0.49**	**1.45**	**378.75**
Less: Allowance for expected credit loss	-	-	-	-	-	-	2.65
Less: Allowance for credit impairment	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Trade Receivable	**52.38**	**314.01**	**7.52**	**2.91**	**0.49**	**1.45**	**376.10**

Trade Receivables ageing schedule for the year ended as on 31.03.2021

Ageing of Trade Receivables

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable - Considered Good	50.00	461.50	19.29	0.57	0.16	0.00	531.52
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	2.32	0.06	0.01	2.39
Disputed Trade Receivable - Considered Good	-	-	-	-	-	0.02	0.02
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	1.23	1.23
Total (A)	**50.00**	**461.50**	**19.29**	**2.89**	**0.22**	**1.26**	**535.16**
Less: Allowance for expected credit loss	-	-	-	-	-		1.61
Less: Allowance for credit impairment						-	-
Total (B)							-
Total (A-B)	**50.00**	**461.50**	**19.29**	**2.89**	**0.22**	**1.26**	**533.55**

11. Cash and cash equivalents (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Balance with banks:		
Current account	68.10	154.41
Cash credit account	2.70	-
Cheques/ DD on Hand	0.90	3.46
Unpaid Dividend account with bank	0.04	-
Fixed Deposits with maturity less than 3 months	18.82	5.23
Cash on hand	1.34	0.74
Total	**91.90**	**163.84**

Current Account Balance for the year ended 31.03.2022 includes Rs. 1.91 Crores held in Escrow Account to meet IPO Expenses (31.03.2021 : NIL)

12. Other bank balances (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Fixed Deposits held as margin with maturity less than 3 months	7.19	18.18
Fixed deposits maturity for more than 3 months but less than 12 months	226.79	141.76
Total	**233.98**	**159.94**

(a) Fixed Deposits amounting to Rs. 31.74 Crores (31st March 2021 : Rs. 26.49 Crores) are held as margin money

Note 13 - Loans (Current) (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
(Unsecured, considered good)		
Loan to related parties	2.67	0.32
Loan to body corporates - Considered Good	170.19	7.66
Loans receivable considered good	0.03	8.96
Less: Provision for Doubtful Loans	-	(0.76)
Total	**172.89**	**16.18**

14. Other financial assets
(Unsecured, considered good) (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Interest accrued and due on fixed deposits	4.33	6.93
Interest accrued and due on bonds	5.06	0.14
Interest accrued on Deposits	0.57	0.25
Earnest money deposit	-	5.00
Incentive Receivable	55.53	58.95
Insurance Claim Receivable	0.11	0.27
MTM receivables	4.92	3.11
Security deposits	35.31	6.37
Total	**105.83**	**81.02**

15.Current tax assets (net) (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Advance Tax(Net of provisions)	37.25	0.15
Total	**37.25**	**0.15**

16. Other current assets
(Unsecured, considered good) (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Advances against goods and expenses		
i. Considered Good	825.89	505.51
ii. Considered doubtful	1.94	-
Prepaid Expenses	1.50	0.40
Advances to employees	10.33	1.29
Advances for IPO	0.07	2.89
Balances with statutory authorities	73.33	29.10
Less: Provision for advances to suppliers	-	0.03
Total	**913.06**	**539.22**

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March, 2022

17. Equity share capital

a) Authorised, Issued, Subscribed and Paid up Share Capital (₹ in Crores)

Particulars	31st March, 2022	31st March 2021
Authorised capital 290,000,000 (March 31, 2021 - 290,000,000) Equity Shares of ₹ 10	290.00	290.00
Total	**290.00**	**290.00**
Issued, Subscribed & Paid-up Capital 255,080,688 (March 31, 2021 - 233,610,100) Equity Shares of ₹ 10 each	255.08	233.61
	255.08	**233.61**

b) Reconciliation of equity shares outstanding at the end of the reporting period

Particulars	31st March, 2022		31st March, 2021	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity shares at the beginning of the year	2,33,61,010	233.61	2,33,61,010	233.61
Add: Shares issued during the year*	2,14,70,588	21.47		
Equity shares at the end of the year	**4,48,31,598**	**255.08**	**2,33,61,010**	**233.61**

* During the year ended March 31, 2022 the group has issued 2,14,70,588 fresh equity shares through Initial Public Offer of Face Value Rs. 10 each aggregating to Rs. 21.47 Crores

Initial Public Offer :

The Group had made an Initial Public Offer (IPO), during the year ended March 31, 2022 for 2,97,05,880 equity shares of Rs. 10 each, comprising of a fresh issue of 2,14,70,588 equity shares by the Group and 82,35,292 equity shares offered for sale by selling shareholders. The Equity shares were issued at a price of Rs. 306 per share (including a Share Premium of Rs. 296). Of the total equity shares, 3,00,000 equity shares were reserved for eligible employees at a discount of Rs. 15 per share. Total Share Premium received from IPO (net of employee discount) is Rs. 635.32 crores reduced by the Group's share of IPO related expenses of Rs. 31.22 Crores

c) Rights/preferences/restrictions attached to equity shares

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian Rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Aggregate number of bonus shares allotted as fully paid up during the period of 5 years immedialtely preceding the (₹ in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
Opening Add: Equity Shares allotted as fully paid up pursuant to contract for consideration other than cash.	-	-	-	18,68,88,080	-
	-	-	-	**18,68,88,080**	-

e) Aggregate number of New shares allotted as fully paid up during the period of 5 years immedialtely preceding the reporting date (₹ in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
Opening	23,36,10,100	23,36,10,100	23,36,10,100	23,36,10,100	23,36,10,100
Add: Equity Share allotted as fully paid in Initial Public Issue	2,14,70,588	-	-	-	-
Closing	**25,50,80,688**	**23,36,10,100**	**23,36,10,100**	**23,36,10,100**	**23,36,10,100**

f) Proceeds from Initial Public Offer made during the year ended March 31, 2022 have been utilised in the following manner :

Particulars	Utilised in FY 2021-22
Rapeyment of borrowings	470.00
Expenses towards general corporate purposes	149.96
	619.96

f) Shares held by promoters

Particulars	No of Shares (31.03.2022)	% of Total Shares (31.03.2022)	No of Shares (31.03.2021)	% of Total Shares (31.03.2021)	% Change during the year
Promoter Name					
Subham Buildwell Pvt. Ltd.	7,05,38,427	27.65%	7,25,97,250	31.08%	-3.42%
Narantak Dealcomm Limited	5,08,93,406	19.95%	5,40,63,340	23.14%	-3.19%
Subham Capital Private Limited	4,07,85,620	15.99%	4,19,94,770	17.98%	-1.99%
Kalpataru House Fin. And Trading Private Ltd.	2,14,02,157	8.39%	2,22,19,150	9.51%	-1.12%
Dorite Tracon (P) Ltd	1,42,16,273	5.57%	1,51,96,665	6.51%	-0.93%
Top Light Mercantiles Pvt. Ltd.	6,98,750	0.27%	6,98,750	0.30%	-0.03%
Brij Bhushan Agarwal	2,32,84,820	9.13%	2,32,84,820	9.97%	-0.84%
Sanjay Kumar Agarwal	31,580	0.01%	31,580	0.01%	0.00%
Mahabir Prasad Agarwal	2,525	0.00%	2,525	0.00%	0.00%
Promoter Group Name					
Brij Bhushan Agarwal Huf	22,50,000	0.88%	22,50,000	0.96%	-0.08%
Mittu Agarwal	11,33,750	0.44%	11,33,750	0.49%	-0.04%
Sangita Agarwal	45,000	0.02%	45,000	0.02%	0.00%
Kirandevi Vimal Agrawal	45,000	0.02%	45,000	0.02%	0.00%
Anita Jhunjhunwala	45,000	0.02%	45,000	0.02%	0.00%
Bajrang Lal Agarwal	2,500	0.00%	2,500	0.00%	0.00%

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Group's Board of Directors. Income tax consequenses of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Group declares and pays dividends in Indian Rupees. Companies are required to pay/ distribute dividend after applicable withholding income taxes. The remittance of dividends outside India is generally governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows

Particulars	Year Ended	
	31.03.2022	31.03.2021
Interim dividend for fiscal 2022 (Rs. 2.25 per share)	114.79	-
Final dividend for fiscal 2021 (Rs. 2.70 per share)	68.87	-
Interim dividend for fiscal 2021 (Rs. 2.25 per share)	-	43.22

Out of the total dividend distributed in FY 2021-22 an amount of Rs. 0.04 Crores is unpaid and is lying in our bank accounts earmarked for dividend payment

g) Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2022		31st March, 2021	
	No. of shares	Holding	No. of shares	Holding
Subham Buildwell Private Limited	7,05,38,427	27.65%	7,25,97,250	31.08%
Narantak Dealcomm Limited	5,08,93,406	19.95%	5,40,63,340	23.14%
Subham Capital Private Limited	4,07,85,620	15.99%	4,19,94,770	17.98%
Mr. Brij Bhushan Agarwal	2,32,84,820	9.13%	2,32,84,820	9.97%
Kalpataru Housfin & Trading Private Limited	2,14,02,157	8.39%	2,22,19,150	9.51%
Dorite Tracon Private Limited	1,42,16,273	5.57%	1,51,96,665	6.51%

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March, 2022

18. Other Equity **(₹ in Crores)**

Particulars	Reserve and surplus				Other comprehensive income				
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	FVTOCI Equity Instruments	Remeasurement of the net defined benefit plans	Total Attributable to Owners of the parent	Attributable to Non Controlling Interest	Total Other Equity
Balance at 1st April 2021	**178.15**	**2,805.93**	**384.61**	**1.10**	**30.62**	**-**	**3,400.41**	**4.35**	**3,404.76**
Profit / (Loss) for the year	-	1,724.54	-	-	-	-	1,724.54	(0.36)	1,724.18
Profit on sale of Investment	-	-	-	-	(0.28)	-	(0.28)	-	(0.28)
Dividend Paid	-	(183.66)	-	-	-	-	(183.66)	-	(183.66)
Income tax effect	-	-	-	-	(12.61)	0.17	(12.44)	-	(12.44)
Security Premium Received	604.21	-	(20.08)	-	-	-	584.13	-	584.13
Other Comprehensive Income	-	-	-	-	67.24	(0.83)	66.41	-	66.41
Transfer to Retained earnings	-	(0.18)	-	-	-	0.66	0.48	-	0.48
Balance at 31st March, 2022	**782.36**	**4,346.63**	**364.53**	**1.10**	**84.97**	**-**	**5,579.59**	**3.99**	**5,583.58**
Balance at 1st April 2020	**178.15**	**2,006.25**	**383.87**	**1.10**	**23.47**	**-**	**2,592.84**	**4.15**	**2,596.99**
Profit / (Loss) for the year	-	843.34	-	-	-	-	843.34	0.20	843.53
Profit on sale of Investment	-	-	-	-	0.03	-	0.03	-	0.03
Dividend Paid	-	(43.22)	-	-	-	-	(43.22)	-	(43.22)
Income tax effect	-	-	-	-	1.12	(0.12)	1.00	-	1.00
Disposal of Subsidiary	-	0.01	-	-	-	-	0.01	-	0.01
Merger Impact	-	-	0.74	-	-	-	0.74	-	0.74
Transferred to Demerged Division	-	(0.89)	-	-	-	-	(0.89)	-	(0.89)
Other Comprehensive Income	-	-	-	-	6.00	0.56	6.56	-	6.56
Transfer to Retained earnings	-	0.44	-	-	-	(0.44)	-	-	-
Balance at 31st March, 2021	**178.15**	**2,805.93**	**384.61**	**1.10**	**30.62**	**-**	**3,400.41**	**4.35**	**3,404.75**

Note 18 .1

Securities Premium : Securities Premium Reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act. , 2013.

Capital Reserve : Capital Reserve arises due to consolidations.

General Reserve: General Reserve is created from time to time by way of transfer of profits for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other Comprehensive income.

Other Comprehensive Income: Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:
i) Items that will not be reclassified to Profit and Loss
a. The group has elected to recognise changes in the fair value of non-current investments (other than in subsidiaries, associates and joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
b. The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI and transferred immediately in retained earnings.
ii) Items that will be reclassified to profit and loss. a. This Reserve represents the cumulative effective portion of changes in fair value of currency swap that are designated as cash flow hedge are recognised in OCI. This is reclassified to statement of Profit and Loss.

Retained Earnings: Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the group.

Note: Addition to Securities Premium during the year ended 31.03.2022 represents amount received on account of IPO (not of employee discount) Rs. 635.33 Crores reduced by the Group's share of IPO related Expenses Rs. 31.22 Crores (31.03.2021 : NIL)

Note 19 - Borrowings (Non-current) **(₹ in Crores)**

Particulars	31st Mar 2022	31st March 2021
Secured		
Term Loans:		
Foreign currency loan	141.00	123.12
Long term Maturities Of finance lease Obligation		
Commercial Vehicle Loan	1.06	1.19
	142.06	**124.31**
Less: Current Maturities of Long Term debt	(18.93)	(4.37)
	123.13	**119.93**
Unsecured		
Loan from related parties	2.70	0.32
Total	**125.83**	**120.25**

Repayment terms and security disclosure for the outstanding long-term borrowings (excluding current maturities) as on 31st March 2022 :

Hire Purchase Finance and commercial vehicle loan is secured against hypothecation of respective assets

(ii) Repayment Terms for Secured Borrowings **(₹ in Crores)**

Name of the Bank	Type of loan	Rate of Interest (%) P.A.	As at 31st March 2022 Amount	As at 31st March 2021 Amount	Repayment Schedule
ICICI Bank	ECB	6 M USD LIBOR + 4.25 %		4.06	Fully repaid during the period
'Oldenburgische Landesbank AG, Germany	ECB		141.00	119.07	External Commercial Borrowing of EURO 1.86 crores sanctioned amount and disbursed up to 31.03.2022 EURO 1.67 crores (EURO 1.67 crores outstanding) is repayable in 17 (equal) half yearly installments beginning from 30.06.2022 and ending on 30.06.2030
Less : Unamortized upfront fees and			-	0.01	
Total			**141.00**	**123.12**	

Note 19.1

Security

i) First charge by way of Equitable Mortgage/Registered Mortgage/ English mortgage over all the moveable properties including the land (pertaining to the project) situated at Sangli in the state of Maharashtra.

ii) First charge by way of hypothecation over all moveable fixed assets of the Project, both present and future.

iii) Assignments of rights, interest and obligations of the Borrower under the Project Documents, including insurance policies relating to the Project, permits/approvals, clearances related to the Project, both present and future.

iv) Second charge over all the current assets of the Project, both present and future.

v) Exclusive first charge on the equipment (universal rolling mill, separator, universal grinder, Spare part for stock of plant & machinery procured from Achenbach, Germany)

Pre-payment terms

Subject to the prevailing guidelines issued by RBI in respect of ECB's, the Borrower may prepay in whole or in part (if in part, minimum amound of USD 1 million, or a higher amount, which is in integral multiples of USD 1 million or if lesse than the entire outstanding facility) upon 15 business days prior written notice to the Lender along with the prepayment premium of 0.20% of the amount to be prepaid.

Breakage cost.

Hire Purchase Loan is repayable in monthly installments and secured by assets purchased there against.

Penalty

There is no penalty clause

20. Other Financial Liabilities (Non-Current) (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Security deposits received	1.37	0.86
Retention Money	11.05	8.87
Total	**12.42**	**9.73**

Note 21 - Provisions (Non-Current) (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Provision for Employee Benefits - Gratuity	12.43	9.42
Provision for Employee Benefits -Leave	1.58	1.17
Total	**14.01**	**10.59**

Note 22 - Deferred Tax Liabilities (Net) (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Deferred tax liability arising on account of :		
Difference in value of assets as per books and as per tax	113.71	147.67
Others	1.32	0.49
Fair valuation of mutual funds and investments	23.79	9.71
Deferred tax assets arising on account of :		
Provision on receivables	0.54	(1.01)
Provison for Employee Benefit	(5.41)	(4.64)
Lease Liabilities	(2.05)	(2.30)
Expenditure allowed for tax purpose on payment basis (43B)	-	-
Amortisation of upfront fees (net)	-	0.00
Others	(9.44)	(12.66)
	122.46	**137.26**
Less: MAT credit Entitlement	(15.18)	(144.02)
Total	**107.28**	**(6.77)**

23. Other non current liabilities (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Liability for water charges	170.66	202.63
Deffered revenue grant	0.35	0.41
Total	**171.01**	**203.04**

Note 24A - Lease Liabilities (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Non Current Lease Liability	5.96	6.01
Current Lease Liability	3.41	0.58
Total	**9.37**	**6.59**

Note 24 - Borrowings (Current) (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Current maturities of long term debts	18.93	4.37
Secured		
Loans Repayable on Demand		
From Banks:		
Working Capital- Foreign Currency loan	-	215.93
Working capital - Demand loan	205.13	321.23
Working capital - Cash credit	93.07	68.29
Unsecured		
From Banks	90.00	-
From Body Corporate	0.71	59.33
Total	**407.84**	**669.15**

Borrowings have been drawn at following rate of interest

Particulars	Rate of Interest
Foreign Currency Loan	NA
Working capital borrowings and Cash Credit	7.10% p.a to 8.70% p.a
Short Term Loan	4.35%

Note 24.1

Primary Security

Borrowing from banks are secured, in respect of respective facilities, by way of hypothecation of entire current assets of the Group and further secured by second charge on fixed assets of the Group.

Collateral Security

a) Hypothecation of the entire movable fixed assets of the Group at Mangalpur unit ranking pari-passu first charge basis with other working capital lenders

b) 1st pari passu charge by way of equitable mortgage of factory Land & Building of Mangalpur unit admeasuring 10 acres.

c) 2nd pari-passu charge by way of equitable mortage of factory Land & Building of Jamuria unit admeasuring 309.19 acres.

d) Hypothecation of the entire moveable fixed assets of the Group at Jamuria unit ranking pari-passu second charge basis with other working capitals lenders

e) Hypothecation of the entire movable fixed assets of the Group at new Aluminium Foil unit at Pakuria (except assets specifically charged to equipment financier, i.e. OLB Bank) ranking pari-passu second charge basis with otherworking capital lenders.

f) Mortgage of factory land and building of the Group measuring about 5.405 acres at Pakuria Aluminium Foil unit ranking pari-passu second charge basis with other working capital lenders.

Reconciliation of value of debtors and inventory as per books and as submitted to bankers

Particulars	Period	Amount as per Financials	Amount as per statement filed with bankers	Difference	Remarks
Eligible Trade Receivables & Inventory	30.06.2021	1,599.14	1,587.79	11.35	Statements are being filed with bankers on the basis of provisional figures since the final figures are made available at a later date. The Group has not claimed Drawing Power(DP) on certain current assets. DP is calculated as per norms of lenders.
	30.09.2021	1,631.00	1,566.81	64.19	
	31.12.2021	1,819.86	1,801.10	18.76	
	31.03.2022	2,414.62	2,405.36	9.26	

25. Trade payables (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Due to micro, small and medium enterprises	7.84	3.92
Due to others	1,186.10	363.12
Total	**1,193.94**	**367.04**

Particulars	31st Mar 2022	31st March 2021
Principal amount outstanding as at end of year	7.84	3.92
Principal amount overdue more than 45 days	-	-
Interest due and unpaid as at end of year	-	-
Interest paid to the Supplier	-	-
Payment made to the supplier beyond the appointment date during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

Trade Payable ageing schedule for the year ended as on March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1	1-2 years	2-3 years	More than 3	Total
MSME		7.84				7.84
Others	796.43	369.00	10.36	-	10.30	1,186.10
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	**796.43**	**376.84**	**10.36**	**-**	**10.30**	**1,193.94**

Trade Payable ageing schedule for the year ended as on March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1	1-2 years	2-3 years	More than 3	Total
MSME		3.92				3.92
Others	167.45	191.09	0.48	0.80	3.31	363.14
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	**167.45**	**195.01**	**0.48**	**0.80**	**3.31**	**367.06**

26. Other financial liabilities (Current) **(₹ in Crores)**

Particulars	31st Mar 2022	31st March 2021
Retention money- Current	10.02	6.73
Interest accrued but not due on borrowings	1.62	0.23
Unpaid Dividend	0.04	-
Accrued Expenses	0.06	0.07
Creditors for capital goods	148.81	17.50
Employee related payables	24.56	23.47
Trade Deposits	15.20	15.21
Total	**200.31**	**63.21**

27. Other current liabilities **(₹ in Crores)**

Particulars	31st Mar 2022	31st March 2021
Statutory dues	25.30	50.76
Advance from customers	134.85	55.97
Advance from related parties	0.40	-
Audit fee payable	0.01	0.01
Other payable	143.79	188.80
Deferred revenue grant	0.06	0.07
Total	**304.41**	**295.61**

28. Provisions (Current) **(₹ in Crores)**

Particulars	31st Mar 2022	31st March 2021
Provision for Employee Benefits	0.98	0.61
Provision for Renewable Energy Cess	28.58	28.56
Provision for Leave Encashment	0.19	0.11
Total	**29.75**	**29.28**

29. Current Tax Liabilities (Net) **(₹ in Crores)**

Particulars	31st Mar 2022	31st March 2021
Provision for tax (Net of provisions)	10.18	7.06
Total	**10.18**	**7.06**

30. Revenue from operations (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Operating revenue		
- Sale of manufactured products	10,154.65	6,137.56
- Sale of services	154.01	79.46
- Sale of Traded Goods	46.89	54.91
- Sale of Power	3.49	3.35
- Sale of Miscellaneous items	5.28	3.74
	10,364.32	**6,279.02**
Other Operating Revenues		
- Export Incentive received	28.61	17.65
- Other Incentive & Subsidy Received	1.03	0.40
Total	**10,393.96**	**6,297.07**

The disaggregation of the group's revenue from contracts with customers is as under:-

(i) Geographic market (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
India	8,605.67	5,270.95
Outside India	1,758.64	1,008.54
Total	**10,364.31**	**6,279.49**

(ii) The following table provides information about receivables, contract asset and contract liabilities from contracts with customers:-

Particulars	31st Mar 2022	31st March 2021
Receivable which are inclued in Trade and other receivables	375.82	533.54
Contract liabilities	133.93	55.97
Total	**509.75**	**589.51**

(iii) Perfomance Obligation

The group recognises revenue from sale of goods at the point in time when control of the goods is transferred to the customers, generally on delivery of the goods and the perfomance obligation of the group is satisfied upon delivery of the goods to the customers.

31. Other income (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Non- operating Income		
Recurring Income		
Interest received on financial assets carried at amortised cost		
- Deposits	14.51	8.06
- Loans	-	1.01
- Bond	3.35	0.40
- Others	5.31	-
Interest from AIF/ Bond	4.26	2.02
Net Gain on sale of Investments measured at cost through Profit and Loss	16.45	1.33
Net Gain on sale of Investments measured at fair value through Profit and Loss	0.03	-
- Mutual Fund	13.42	1.01
- Bond	(1.08)	0.06
Net Gain/ (Loss) on reinstatement of Investments measured at fair value through Profit and Loss		
- Mutual Fund and Non Convertible debentures/Bond	0.33	8.53
Dividend received on Shares	0.20	0.08
Profit on sales of Property, Plant and Equipment	0.21	-
Insurance claim received	-	0.50
Rent	2.02	-
Others	1.00	0.72
Total	**60.01**	**23.72**

32. Cost of material consumed (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Opening stock	726.12	1,133.70
Add: Purchases	7,373.10	3,327.52
	8099.22	**4,461.22**
Less: Sales	75.58	18.36
Less: Closing Stock	1,562.77	726.12
Total	**6,460.87**	**3,716.74**

33. Changes in inventories (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Opening Stock		
Finished Goods	198.56	240.30
Work-in-progress	2.53	2.49
Traded Goods	6.20	8.44
By-Products	32.08	37.12
	239.37	**288.35**
Closing Stock		
Finished Goods	377.14	198.56
Work-in-progress	12.69	2.53
Traded Goods	2.99	6.20
By-Products	27.42	32.08
	420.24	**239.37**
(Increase)/ Decrease in Inventories	**(180.87)**	**48.98**

34. Employee benefits expense (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Salaries and Wages	229.92	175.66
Contribution to provident and other funds	11.27	7.84
Staff welfare expenses	5.37	4.64
Total	**246.56**	**188.14**

35. Finance costs (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Interest Expense		
- On Borrowings	15.18	43.64
- Interest Expenses for lease liability	0.25	0.19
Exchange difference to the extent considered as an adjustment to borrowing costs	-	0.24
Other Borrowing Costs	7.73	18.39
Total	**23.16**	**62.46**

36. Depreciation and amortisation Expense (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Depreciation	271.05	298.97
Depreciation on Right of use assets	0.21	1.18
Amortisation	1.14	0.21
Total	**272.40**	**300.36**

37. Other expenses (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
Rent	43.83	27.55
Rates and taxes	97.32	93.14
Power, fuel and electricity	288.91	252.17
Consumption of stores and spares parts	446.54	292.03
Repairs		
Building	14.27	2.78
Machinery	13.01	10.39
Others	9.37	5.62
Insurance	6.46	5.86
Brokerage and commission on sales	17.81	13.34
Advertisement and publicity expenses	9.58	10.18
Legal and professional	22.21	8.04
Charity and donations	0.13	-
Loss on sale of Property, plant and equipments	1.11	-
Labour charges	108.36	84.94
Freight and Forwarding expenses	130.10	64.63
Payment to auditor	0.49	0.35
Corporate Social Responsibility	27.67	13.96
Loss on sale of Investments measured at fair value through Profit and Loss(Net)	0.66	-
Loss on Forward Contracts(Net)	(9.63)	(8.08)
Allowances for credit losses	0.09	(3.45)
Sundry Balances written off	(11.57)	7.48
Irrecoverable Debts, Claims and Advances Written Off	(11.00)	(11.61)
Foreign Exchange Fluctuation loss (net of gain)	(21.34)	(29.96)
Miscellaneous expenses	50.74	42.50
Total	**1,235.12**	**881.86**

38. Income Tax Expense (₹ in Crores)

Particulars	31st Mar 2022	31st March 2021
i) Current Tax		
Current tax	539.46	266.56
Total	**539.46**	**266.56**
ii) Deferred Tax		
Deferred tax (Liability Reversal)	(8.18)	(56.32)
Less: MAT Credit	(108.89)	(1.16)
Total	**100.71**	**(55.16)**

Note 39 - Earnings per Equity Share

The Group's Earnings Per Share (EPS) is determined based on the net profit / (loss) attributable to the shareholders of the group. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during that particular year including share options, except where the result would be anti-dilutive.

(₹ in Crores)

Particulars	31st March 2022	31st March 2021
Net Profit / (Loss) attributable to equity shareholders		
Profit for the year	1,724.54	843.34
Nominal value of equity shares (₹)	10.00	10.00
Weighted average number of equity shares for basic & Diluted EPS	25,02,57,159	23,36,10,100
Basic & Diluted earnings per share (₹)	68.91	36.10

Note 40 - Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Useful Life

In preparation of the financial statements, the Group makes judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgments and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Note 41 - Commitments & Contingent Liabilities

(a) Capital commitments **(₹ in Crores)**

Particulars	31st March 2022	31st March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	440.92	315.63

(b) Contingent Liabilities **(₹ in Crores)**

Particulars	31st March 2022	31st March 2021
Claims against the group not acknowledged as debt:		
Excise Duty	114.44	111.81
Service Tax	2.02	0.39
Customs Duty	13.39	4.69
Sales Tax/VAT	18.82	24.34
ESI	0.14	0.14
Other money for which the group is contingently liable:		
Unredeemed bank guarantees on behalf of the joint venture company	0.65	94.76
Other unredeemed bank guarantees	204.97	47.61
Bills discounted with banks	55.94	106.37
Total	**410.39**	**390.10**

(i)Based on discussion with the solicitors / favourable decisions in similar cases / legal opinion taken by the Group, the management believes that the Group has good chance of success in above mentioned cases and hence no provision there against is considered necessary.

Note 42 - Employee Benefit Obligations

(₹ in Crores)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Provident Fund	7.40	4.78
Total	**7.40**	**4.78**

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied with the number of years of service.

The weighted average duration of the defined benefit plan obligations at the end of the reporting period is 5.86 years (31st March 2021 - 7.02 years)
The amounts recognized in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

Changes in defined benefit obligation (₹ in Crores)

Particulars	31st March 2022	31st March 2021
Present value of obligation as at the beginning of the year	10.03	8.58
Interest cost	0.69	0.60
Current service cost	2.61	1.84
Benefits paid	(0.90)	(0.31)
Actuarial loss/(gain) on obligations	0.98	(0.68)
Present value obligation as at the end of the year	**13.41**	**10.03**

Breakup of actuarial gain/loss: (₹ in Crores)

Particulars	31st March 2022	31st March 2021
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	0.18	0.15
Actuarial (gain)/loss arising from experience adjustment	0.81	(0.81)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets (₹ in Crores)

Particulars	31st March 2022	31st March 2021
Present value obligation as at the end of the year	13.41	10.03
Net asset recognized in balance sheet	**(13.41)**	**(10.03)**

Amount recognized in the statement of profit and loss (₹ in Crores)

Particulars	31st March 2022	31st March 2021
Current service cost	2.61	1.84
Interest cost	0.69	0.60
Amount recognized in the statement of profit and loss	**3.30**	**2.44**

Amount recognized in the statement of Other Comprehensive Income (₹ in Crores)

Particulars	31st March 2022	31st March 2021
Actuarial gain/(loss) for the year on planned benefit obligations	0.98	(0.68)
Actuarial gain/(loss) at the end of the year	**0.98**	**(0.68)**

Actuarial assumptions

Particulars	31st March 2022	31st March 2021
Discount rate	7.10% p.a.	6.90% p.a.
Future salary increase	5.50% p.a.	5.50% p.a.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms of maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability (₹ in Crores)

Particulars	31st March 2022	31st March 2021
Impact of the change in discount rate		
Present value of obligation at the end of the year	1.21	10.03
a) Impact due to increase of 1.00 %	12.22	9.12
b) Impact due to decrease of 1.00 %	14.81	11.09
Impact of Change in Withdrawal Rate	-	
Present value of obligation at the end of the year	13.41	10.03
a) Impact due to increase of 1.00 %	13.47	10.07
b) Impact due to decrease of 1.00 %	13.34	9.98
Impact of the change in salary increase	-	
Present value of obligation at the end of the year	1.21	10.03
a) Impact due to increase of 1.00 %	14.84	11.12
b) Impact due to decrease of 1.00 %	12.16	9.08

Leave

Changes in defined benefit obligation **(₹ in Crores)**

Particulars	31st March 2022	31st March 2021
Present value of obligation as at the beginning of the year	1.28	0.21
Interest cost	0.09	0.02
Current service cost	0.48	0.39
Past Service Cost	-	0.66
Benefits paid	(0.08)	(0.09)
Actuarial loss/(gain) on obligations	0.01	0.09
Present value obligation as at the end of the year	**1.78**	**1.28**

Reconciliation of present value of defined benefit obligation and the fair value of plan assets **(₹ in Crores)**

Particulars	31st March 2022	31st March 2021
Present value obligation as at the end of the year	1.77	1.28
Net asset recognized in balance sheet	**1.77**	**1.28**

Amount recognized in the statement of profit and loss **(₹ in Crores)**

Particulars	31st March 2022	31st March 2021
Current service cost	0.48	0.39
Past Service Cost	-	0.66
Interest cost	0.02	0.02
Expected return on plan assets	-	-
Amount recognized in the statement of profit and loss	**0.50**	**1.07**

Actuarial assumptions

Particulars	31st March 2022	31st March 2021
Discount rate	6.90% p.a.	6.90% p.a.
Disability rate	5% of Mortality rate	5% of Mortality rate
Retirement Age	58 Years	58 Years
Future salary increase	5.50% p.a.	5.50% p.a.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms of maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Note 43 - Financial Instruments by Category

For amortised cost instruments, carrying value represents the best estimate of fair value. **(₹ in Crores)**

Particulars	31st March 2022				31st March 2021			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial Assets								
Investment in equity instruments	-	121.78	-	121.78	0.15	58.82	-	58.97
Investment in mutual funds	507.30	-	-	507.30	195.76	-	-	195.76
Investment in Bonds/Debenture	405.18	-	-	405.18	9.85	-	4.96	14.81
Investment in government securities	-	-	0.10	0.10	-	-	0.10	0.10
Trade receivables	-	-	376.10	376.10	-	-	533.54	533.54
Loans	-	-	172.89	172.89	-	-	16.18	16.18
Security deposit	-	-	49.48	49.48	-	-	15.46	15.46
Cash and cash equivalents	-	-	91.90	91.90	-	-	163.84	163.84
Other financial asset	-	-	70.52	70.52	-	-	74.65	74.65
Margin money	-	-	258.77	258.77	-	-	196.96	196.96
Total	**912.48**	**121.78**	**1,019.76**	**2,054.02**	**205.76**	**58.82**	**1,005.69**	**1,270.27**
Financial Liabilities								
Borrowings	-	-	533.67	533.67	-	-	789.43	789.43
Trade payable	-	-	1,193.94	1,193.94	-	-	367.06	367.06
Security deposit	-	-	1.37	1.37	-	-	9.73	9.73
Other financial liabilities	-	-	211.36	211.36	-	-	59.30	59.30
Total	**-**	**-**	**1,940.34**	**1,940.34**	**-**	**-**	**1,225.52**	**1,225.52**

(a) Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurement **(₹ in Crores)**

Particulars	31st March 2022	31st March 2021
Financial Assets		
Financial investments at FVOCI		
Unquoted equity instruments	121.78	58.82
Financial investments at FVTPL		
Mutual Fund	507.30	195.76
Total	**629.08**	**254.58**

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed **(₹ in Crores)**

Particulars	31st March 2022			31st March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Mutual funds	507.30	-	-	195.76	-	-
Bonds	-	-	-	-	4.96	-
Unquoted equity instruments	-	121.78	-	-	58.97	-
Investment in Government Securities	-	0.10	-	-	0.10	-
Total	**507.30**	**121.88**	**-**	**195.76**	**64.04**	**-**
Financial Liabilities						
Borrowings	-	-	533.67	-	-	789.43
Total	**-**	**-**	**533.67**	**-**	**-**	**789.43**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(b) Fair value of financial assets and liabilities measured at amortised cost, FVTPL and FVTOCI

(₹ in Crores)

Particulars	31st March 2022		31st March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Carried at FVOCI				
Investments in equity instruments	121.78	121.78	58.97	58.97
Carried at amortised cost				
Trade receivables	376.10	376.10	533.54	533.54
Loans	172.89	172.89	16.18	16.18
Security deposit	49.48	49.48	15.46	15.46
Cash and cash equivalents	91.90	91.90	163.84	163.84
Other financial asset	70.52	70.52	74.65	74.65
Margin money	258.77	258.77	196.96	196.96
Investment in Bonds	405.18	405.18	14.81	14.81
Investment in Government Securities	0.10	0.10	0.10	0.10
Carried at FVTPL				
Investments in mutual funds	507.30	507.30	195.76	195.76
Total	**2,054.02**	**2,054.02**	**1,270.27**	**1,270.27**

(₹ in Crores)

Particulars	31st March 2022		31st March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Carried at amortised cost				
Borrowings	533.67	533.67	789.43	789.43
Trade payable	1,193.94	1,193.94	367.06	367.06
Security deposit	1.37	1.37	9.73	9.73
Other financial liabilities	211.36	211.36	59.30	59.30
Total	**1,940.34**	**1,940.34**	**1,225.52**	**1,225.52**

(c) Fair value measurements

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Investments carried at fair value are generally based on market price quotations. Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iii) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorized as level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorized as level 2 in the fair value hierarchy.

(iv) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Note 44 - Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include investments, loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks. The group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the group. This financial risk committee provides assurance to the group's senior management that the group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings in foreign currencies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

Particulars	31st March 2022	31st March 2021
Variable rate borrowings	298.19	471.96
Fixed rate borrowings	91.77	317.46

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the group's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crores)

Particulars	Effect on Profit before tax	
	31st March 2022	31st March 2021
Increase by 50 basis points (31 March 2021: 50 bps)	(1.49)	(2.36)
Decrease by 50 basis points (31 March 2021 50 bps)	1.49	2.36

b) Foreign currency risks

The group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group’s revenue from export markets and the costs of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result’s in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency.

Exposure to Currency Risk

The group's exposure to foreign currency risk at the end of the reporting period are as follows: **(₹ in Crores)**

Nature of Item	Currency	31st March 2022		31st March 2021	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Buyer’s Credit	USD ($)	-	-	-	-
Creditors	USD ($)	5.21	391.56	1.49	108.87
Supplier's Credit	USD ($)	5.90	447.30	0.67	49.01
Supplier's Credit	EURO	0.14	12.05	0.07	6.39
Debtors	USD ($)	0.02	1.74	5.07	331.40
Debtors	EURO	-	-	0.01	1.15
Term Loan	USD ($)	-	-	0.06	4.06
Term Loan	EURO	1.67	141.00	1.38	119.07
Working Capital Demand Loan / Packing Credi	USD ($)	-	-	2.94	215.93
Interest Accrued but not due	EURO	0.00	0.03	0.00	0.02
Interest Accrued but not due	USD ($)	0.01	0.62	0.00	0.07

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the group's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Crores)

Particulars	Effect on Profit/(Loss) before tax	
	31st March	31st March 2021
USD Sensitivity		
Increase by 5% (31st March 2021 - 5%)	(41.89)	(2.33)
Decrease by 5% (31st Mar 2021 - 5%)	41.89	2.33

(₹ in Crores)

Particulars	Effect on Profit/(Loss) before tax	
	2022	31st March 2021
EURO Sensitivity		

Increase by 5% (31st March 2020 - 5%)	(7.65)	(6.22)
Decrease by 5% (31st March 2020 - 5%)	7.65	6.22

B) Credit risk
Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The group has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 2073.44 Crores and ₹ 1270.49 Crores as at March 31, 2022 and March 31, 2021 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and other financial assets

(i) Trade receivables

Customer credit risk is managed by each business location subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. Any Credit risk is curtailed with arrangements with third parties .
An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Group does not hold collateral as security.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investment of surplus funds are made only with approved counterparties . The group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amount as illustrated in Note 43.

(C) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.'The Group monitors its risk of a shortage of funds by estimating the future cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.
The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Group invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.
'The Group monitors its risk of a shortage of funds by estimating the future cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments -

(₹ in Crores)

Particulars	Upto 1 year	1 to 2 years	3 to 5 years	More than 5 years	Total
Period ended 31st March 2022					
Contractual maturities of borrowings	425.46	37.65	55.63	11.27	530.01
Contractual maturities of trade payables	751.12	10.36	10.30	-	771.79

Particulars	Upto 1 year	1 to 2 years	3 to 5 years	More than 5 years	Total
Period ended 31st March 2021					
Contractual maturities of borrowings	669.56	19.12	57.06	43.68	789.42
Contractual maturities of trade payables	367.04	-	-	-	367.04

Note 45 - Ind As 116

(i) Carrying value of Right-of-use assets by class:

The Group has lease contracts for land and buildings used in its operations. For Buildings the lease term generally varies between 2 to 5 years and for land it can extend upto 90 years.The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

(₹ in Crores)

Particulars	31st March 2022	31st March 2021
Opening balance	42.69	43.16
Addition during the year		
Leasehold Land	24.01	-
Leasehold Building	0.74	0.71
Depreciation Expense		
Leasehold Land	0.46	0.45
Leasehold Building	0.97	0.73
Closing balance	66.01	42.69

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(₹ in Crores)

Particulars	31st March 2022	31st March 2021
As at 1st April 2021	6.59	6.38

Addition during the year	3.48	0.71
Add: Finance Cost	0.40	0.37
Less: Rent	1.09	0.87
As at 31st March 2022	**9.39**	**6.59**

The Group has not applied Ind As 116 on low value assets and short term leases.

Note 46 - COVID 19 Financial Impact

In March 2020, the WHO declared COVID - 19 outbreak as a pandemic which continues to spread across the country. On 25th March 2020, the Government of India had declared this pandemic a health emergency and ordered temporary closure of all non-essential businesses and imposed restrictions on movement of goods/material, travel etc. The Group has been allowed to continue its operations as majority of its plant falls under continuous process industry. However, disruptions of businesses world wide and economic slowdown may have its eventual impact on the Group. The group has made intitial assessment of likely adverse impact on economic environment in general and financial risk on account of COVID-19. Further, Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institutions till August 2020. This will largely mitigate the stress cash flows of the group during the period of COVID-19. In assessing the recoverability of Trade Receivables measured at amortised cost and inventories at realisable value as stated in the standalone financial statements, the Group has considered internal and external information upto the date of approval of these financial results. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The impact of this pandemic may be different from that estimated as at the date of approval of these financial results and the group will continue to closely monitor any material changes in future economic conditions.

On Long term basis also, the group does not anticipate any major challenge in meeting its financial obligations. The management has estimated its future cash flows which indicate no major change in financial performance as estimated prior to COVID-19 impact.

Note 47 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures)

Particulars	31st March 2022	31st March 2021
Subsidiary Company	Shyam Sel And Power Limited Damodar Aluminium Private Limited (Upto 09/09/2021) Renaissance Hydro Power Private Limited (Upto 09/09/2021) Singhbhum Steel & Power Private Limited (Upto 09/09/2021) Kalinga Infra Projects Limited (Upto 09/09/2021)	Damodar Aluminium Private Limited Renaissance Hydro Power Private Limited Singhbhum Steel & Power Private Limited Kalinga Infra Projects Limited (W.E.F 19.8.19) Shyam Sel And Power Limited Shyam Ores (Jharkhand) Private Limited
Step-down Subsidiary Company	Hrashva Storage And Warehousing Private Limited Shyam Energy Limited Taurus Estates Private Limited Whispering Developers Private Limited Meadow Housing Private Limited Nirjhar Commercials Private Limited (06-09-2019) Shree Sikhar Iron & Steel Private Limited (28-06-2019) Shree Venktesh Electrocast Pvt Ltd Platinum Minmet Private Limited	Hrashva Storage And Warehousing Private Limited Shyam Energy Limited Taurus Estates Private Limited Whispering Developers Private Limited Meadow Housing Private Limited Nirjhar Commercials Private Limited (6-9-19) Shree Sikhar Iron & Steel Private Limited (28-6-19)
Associates	Meghana Vyapar Private Limited Kecons Tradecare Private Limited Kolhan Complex Private Limited	Meghana Vyapar Private Limited Kecons Tradecare Private Limited Kolhan Complex Private Limited
Joint Venture	Mjsj Coal Limited Kalinga Energy Private Limited	Mjsj Coal Limited Kalinga Energy Private Limited
Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions/ balance during the year:	Platinum Minmet Private Limited Dorite Tracon Private Limited Shyam Solar Appliance Private Limited Narantak Dealcomm Limited Shyam Ferro Alloys Limited Swarnrekha Abasan Private Limited Shyam Emco Infrastructure Limited Sunglow Complex Private Limited Subham Capital Private Limited Brij Bhusan Agarwal & Sons Huf Toplight Mercantiles Private Limited Kalpataru Housefin & Trading Private Limited Subham Capital Private Limited Subhlabh Commercials Private Limited Britasia Hydro Power Private Limited Essel Plywood Private Limited Shyam Century Multiprojects Private Limited Shyam Greenfield Developers Private Limited Sindbad Hydro Power Limited S.S. Natural Resources Private Limited Improved Realtors Private Limited Elysian Beautification Private Limited	Platinum Minmet Private Limited Dorite Tracon Private Limited Shyam Solar Appliance Private Limited Narantak Dealcomm Limited Shyam Ferro Alloys Limited Swarnrekha Abasan Private Limited Shyam Emco Infrastructure Limited Sunglow Complex Private Limited Subham Capital Private Limited Brij Bhusan Agarwal & Sons Huf Toplight Mercantiles Private Limited Kalpataru Housefin & Trading Private Limited Subham Capital Private Limited Subhlabh Commercials Private Limited Britasia Hydro Power Private Limited Essel Plywood Private Limited Shyam Century Multiprojects Private Limited Shyam Greenfield Developers Private Limited Sindbad Hydro Power Limited S.S. Natural Resources Private Limited Improved Realtors Private Limited
Key Management Personnel:	Shri Brij Bhushan Agarwal (Managing Director Cum Vice Chairman) Shri Sanjay Kumar Agarwal (Joint Managing Director) Shri Bhagwan Shaw (Director) Shri Dev Kumar Tiwari (Director) Shri Deepak Kumar Agarwal (Director) Shri Birendra Kumar Jain(Company Secretary) Shri Shree Kumar Dujari (Chief Financial Officer) Mahabir Prasad Agarwal (Director) Bajrang Lal Agarwal (Director Sspl) Shri Venkata Krishna Nageswara Rao Majji (Director) Shri Ashok Kumar Jaiswal (Director) Shri Yudhvir Singh Jain (Director) Kishan Gopal Baldwa (Director)	Shri Brij Bhushan Agarwal (Managing Director Cum Vice Chairman) Shri Sanjay Kumar Agarwal (Joint Managing Director) Shri Bhagwan Shaw (Director) Shri Dev Kumar Tiwari (Director) Shri Deepak Kumar Agarwal (Director) Shri Birendra Kumar Jain(Company Secretary) Shri Shree Kumar Dujari (Chief Financial Officer) Mahabir Prasad Agarwal (Director) Bajrang Lal Agarwal (Director Sspl) Shri Venkata Krishna Nageswara Rao Majji (Director) Shri Ashok Kumar Jaiswal (Director) Shri Yudhvir Singh Jain (Director) Kishan Gopal Baldwa (Director)

	Ajay Choudhury (Director) Mr. Susmit Changia (Cfo Sspl) Mr. Shree Kumar Dujari Smt Kiran Vimal Agarwal (Director) Kiran Vimal Agarwal (Director) (W.E.F. 05.03.2020) Rajni Mishra (Additional Director) (W.E.F. 12.02.2021)	Ajay Choudhury (Director) Mr. Susmit Changia (Cfo Sspl) Mr. Shree Kumar Dujari Smt Kiran Vimal Agarwal (Director) Kiran Vimal Agarwal (Director) (W.E.F. 05.03.2020) Rajni Mishra (Director)
Particulars	**31st March 2022**	**31st March 2021**
Relatives to Key Management Personnel:	**Relative's Name - Relation** Mrs. Sumitra Devi Agarwal- Wife Of Shri Mahabir Prasad Agarwal Mrs. Mittu Agarwal - Wife Of Mr. Brij Bhushan Agarwal Mrs. Sangeeta Agarwal - Sister Of Mr. Brij Bhusan Agarwal Mrs. Anita Jhunjhunwala - Daughter Of Mr. Mahabir Prasad Mrs. Bina Devi Agarwal - Wife Of Mr. Bajrang Lal Agarwal Mrs. Pooja Agarwal - Wife Of Mr. Sanjay Kumar Agarwal Mr. Shubham Agarwal - Son Of Mr. Brij Bhusan Agarwal Mrs. Vandana Dujari - Wife of Mr. Shree Kumar Dujari Mr. Bajrang Lal Agarwal - Father Of Mr. Sanjay Kumar Agarwal Mr. Mahabir Prasad Agarwal - Father Of Mr. Brij Bhushan Agarwal Mr. Divyansh Agarwal - Son of Mr. Sanjay Agarwal Mr. Sheetij Agarwal - Son Of Mr. Brij Bhushan Agarwal	**Relative's Name - Relation** Mrs. Sumitra Devi Agarwal- Wife Of Shri Mahabir Prasad Agarwal Mrs. Mittu Agarwal - Wife Of Mr. Brij Bhushan Agarwal Mrs. Sangeeta Agarwal - Sister Of Mr. Brij Bhusan Agarwal Mrs. Anita Jhunjhunwala - Daughter Of Mr. Mahabir Prasad Agarwal Mrs. Bina Devi Agarwal - Wife Of Mr. Bajrang Lal Agarwal Mrs. Pooja Agarwal - Wife Of Mr. Sanjay Kumar Agarwal Mr. Shubham Agarwal - Son Of Mr. Brij Bhusan Agarwal Mrs. Vandana Dujari - Wife of Mr. Shree Kumar Dujari Mr. Bajrang Lal Agarwal - Father Of Mr. Sanjay Kumar Agarwal Mr. Mahabir Prasad Agarwal - Father Of Mr. Brij Bhushan Agarwal Mr. Divyansh Agarwal - Son of Mr. Sanjay Agarwal Mr. Sheetij Agarwal - Son Of Mr. Brij Bhushan Agarwal

Disclosure of Related Party Transactions provides information about the Group's structure. The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year.

Terms and conditions of transactions with related parties:

The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance at the year-end are unsecured and interest free and settlement occurs in cash. For the period ended March 31,2022., the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31,2022.: **NIL**). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(₹ in Crores)

Type of Tranactions	**Subsidiary, Associates and Joint Venture**		**Enterprises over which Key Management Personnel and / or their relatives have significant influence**		**TOTAL**	
	31.03.2022	**31.03.2021**	**31.03.2022**	**31.03.2021**	**31.03.2022**	**31.03.2021**
1. Sale of Goods						
Shyam Sel and Power Limited	229.81	122.92	-	-	229.81	122.92
Shree Venkateshwara Electrocast Private Limited	0.47	-	-	-	0.47	-
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019)	-	4.48	-	-	-	4.48
Shyam Ferro Alloys Limited	-	-	5.38	17.71	5.38	17.71
2. Purchase of Licence						
Shyam Sel and Power Limite	-	0.15	-	-	-	0.15
3. Sale of Licence						
Shyam Sel and Power Limite	-	0.21	-	-	-	0.21
4.Office Maintenance (Expense)						
Improved Realtors Private Limited	0.04	-	-	0.04	0.04	0.04
5. Purchase of Goods						
Shyam Ferro Alloys Limited	-	-	2.05	0.84	2.05	0.84
Platinum Minment Pvt. Ltd.	1.08	-	-	-	1.08	-
Shree Venkateshwara Electrocast Private Limited	0.22	-	-	-	0.22	-
Kalinga Infra Projects Limite	7.06	-	-	-	7.06	-
Shyam Sel and Power Limite	133.03	44.88	-	-	133.03	44.88
Shyam Solar Appliance Private Limited	-	-	-	18.76	-	18.76
6. Dividend Received						
Shyam Sel and Power Limited	61.78	44.13	-	-	61.78	44.13
7. Dividend Paid						
Narantak Dealcomm Limited	-	-	36.64	10.00	36.64	10.00
Brij Bhushan Agarwal	-	-	16.77	4.31	16.77	4.31
Mittu Agarwal	-	-	0.82	0.21	0.82	0.21
Kirandevi Vimal Agrawal	-	-	0.03	0.01	0.03	0.01
Sangeeta Agarwal	-	-	0.03	0.01	0.03	0.01

Brij Bhusan Agarwal & Sons HUF	-	-	1.62	0.42	1.62	0.42
Subham Buildwell Private Limited	-	-	50.79	13.43	50.79	13.43
Toplight Mercantiles Private Limited	-	-	0.50	0.13	0.50	0.13
Kalpataru Housefin & Trading Private Limited	-	-	15.41	4.11	15.41	4.11
Anita Jhunjhunwala	-	-	0.03	0.01	0.03	0.01
Bajrang Lal Agarwal	-	-	0.00	0.00	0.00	0.00
Sanjay Kumar Agarwal	-	-	0.02	0.01	0.02	0.01
Subham Capital Private Limited	-	-	29.37	7.77	29.37	7.77
Dorite Tracon Private Limited	-	-	10.24	2.81	10.24	2.81

8. Rent Received (Net of TDS)

Narantak Dealcomm Limited	-	-	0.04	0.04	0.04	0.04
Singhbhum Steel & Power	-	0.01	-	-	-	0.01
Subham Capital Private Limited	-	-	0.05	0.05	0.05	0.05

9. Rent Paid (Net of TDS)

Toplight Mercantile Private Limited	-	-	0.06	0.06	0.06	0.06
Improved Realtors Private Limited	0.02	-	-	0.02	0.02	0.02
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019)	0.03	0.03	-	-	0.03	0.03

10. Transactions with KMP

Salaries and other benefits to directors and executive	-	-	8.23	7.48	8.23	7.48
Advances to Directors	-	-	0.90		0.90	-

11.Sitting fees paid to independent directors

Mr. Ashok Kumar Jaiswal	-	-	0.04	-	0.04	-
Mr. Yudhvir Singh Jain	-	-	0.03	-	0.03	-
Mr. Ajay Choudhury	-	-	0.02	-	0.02	-
Mr. Venkat Krishna Nageshv	-	-	0.01	-	0.01	-
Mr. Kishan Gopal Baldwa	-	-	0.03	-	0.03	-
Mr. Rajni Mishra	-	-	0.02	-	0.02	-

12. Purchase of Investments

Shyam Sel & Power Limited	0.10	-	-	-	0.10	-
Dorite Tracon Private Limited	-	-	4.85	-	4.85	-
Shree Venkateshwara Electrocast Private Limited	1.69	-	-	-	1.69	-
Narantak Dealcomm Limited	-	-	0.71	-	0.71	-
Subham Capital Private Limited	-	-	0.36	-	0.36	-

13. Sale of Investments

Nirjhar Commodities Private Limited	-	-	-	-	-	-
Narantak Dealcomm Limited	14.88	-	5.96	-	20.84	-
Subham Capital Private Limited	-	-	0.36	-	0.36	-
Dorite Tracon Private.Limited	4.57	-	-	-	4.57	-
Shyam Sel and Power Limited	0.30	-	-	-	0.30	-

14. Reimbursement of Expenses

Narantak Dealcomm Limited	-	-	0.00	-	0.00	-
Kalinga Infra Projects Limited	0.00	-	-	-	0.00	-
Shyam Sel and Power Limited	5.76	-	-	-	5.76	-

Elysian Beautification Private Limited	-	-	0.37	0.03	0.37	0.03
Shyam Emco Infrastructure Limited	-	-	0.00	-	0.00	-

15. Advances Given/Refunded

Shyam Sel and Power Limited	406.88	498.54	-	-	406.88	498.54
Kalinga Infra Projects Limited (w.e.f 19.8.19)	-	18.39	-	-	-	18.39
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019)	14.25	43.94	-	-	14.25	43.94
Shyam Ores (Jharkhand) Private Limited	-	0.12	-	-	-	0.12
Shree Sikhar Iron & Steel Private Limited	6.33	-	-	-	6.33	-
Britasia Hydro Power Private Limited	-	-	-	0.02	-	0.02
Shyam Century Multiprojects Private Limited	-	-	-	0.00	-	0.00
Platinum Minment Private Limited	32.90	-	-	-	32.90	-
Dorite Tracon Private Limited	-	-	26.43	34.17	26.43	34.17
Meadow Housing Private Limited	0.75	0.00	-	-	0.75	0.00
Renaissance Hydro Power Private Limited	-	0.00	-	-	-	0.00
Kalpataru House Fin & Trading Private Limited	-	-	0.11	2.00	0.11	2.00
Essel Plywood Private Limited	-	-	-	0.00	-	0.00
Shree Venkateshwara Electr	43.58	-	-	-	43.58	-
Shyam Energy Limited	0.13	2.63	-	-	0.13	2.63
Kolhan Complex Private Limited	-	0.37	-	-	-	0.37
Meghana Vyapaar Private Limited	-	17.83	-	-	-	17.83
Narantak Dealcomm Limited	-	-	183.78	78.23	183.78	78.23
Nirjhar commodities Private Limited	-	0.00	-	-	-	0.00
S S Natural Resources Private Limited	-	-	-	0.41	-	0.41
Shyam Ferro Alloys Limited	-	-	50.14	21.12	50.14	21.12
Whispering Developers Private Limited	0.50	-	-	0.00	0.50	0.00
Shyam Solar Appliance Private Limited	-	-	-	20.27	-	20.27
Singhbhum Steel & Power Private Limited	-	0.02	-	-	-	0.02
Sindbad Hydro Power Private Limited	-	-	-	0.00	-	0.00
Subham Buildwell Private Limited	-	-	35.83	32.68	35.83	32.68
Subham Capital Private Limited	-	-	52.29	73.89	52.29	73.89
Suhag Overseas Trading Private Limited	-	-	-	1.05	-	1.05
Taurus Estate Private Limited	-	-	-	0.00	-	0.00
Toplight Mercantile Private Limited	-	-	13.84	8.60	13.84	8.60
Elysian Beautification Private Limited	-	-	-	0.03	-	0.03

16. Advances Received back/taken

Shyam Sel and Power Limited	513.56	530.63	-	-	513.56	530.63
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019)	13.97	136.71	-	-	13.97	136.71

Britasia Hydro Power Private Limited	-	-	-	0.02	-	0.02
Dorite Tracon Private Limited	-	-	26.97	33.97	26.97	33.97
Damodar Aluminum Private Limited	-	0.00	-	-	-	0.00
Platinum Minment Private L	1.03	-	-	-	1.03	-
Essel Plywood Private Limited	-	-	-	0.00	-	0.00
Kalinga Infra-Projects Limited	-	13.80	-	-	-	13.80
Shree Venkateshwara Electr	1.72	-	-	-	1.72	-
Kalpataru HouseFin & Trading Private Limited	-	-	0.11	2.00	0.11	2.00
Kolhan Complex Private Limited	-	-	-	0.37	-	0.37
Singhbhum Steel & Power	-	0.02	-	-	-	0.02
Meghana Vyapaar Private Limited	0.00	15.95	-	-	0.00	15.95
Narantak Dealcomm Limited	-	-	203.63	77.44	203.63	77.44
Nirjhar commodities Private Limited	-	0.00	-	-	-	0.00
Shyam Energy Limited	2.61	2.60	-	-	2.61	2.60
Renaissance Hydro Power	-	0.00	-	-	-	0.00
S S Natural Resources Private Limited	-	-	-	0.41	-	0.41
Shyam Ores (Jharkhand)	-	-	8.94	8.68	8.94	8.68
Shyam Century Multi Projects Private Limited	-	-	-	0.00	-	0.00
Shyam Ferro Alloys Limited	-	-	50.14	35.24	50.14	35.24
Shyam Solar Appliance Private Limited	-	-	-	1.00	-	1.00
Sindbad Hydro Power Private Limited	-	-	-	0.00	-	0.00
Subham Buildwell Private Limited	-	-	38.87	32.65	38.87	32.65
Subham Capital Private Limited	-	-	75.00	73.94	75.00	73.94
Suhag Overseas Trading	-	-	-	1.05	-	1.05
Taurus Estate Private Limited	-	0.00	-	-	-	0.00
Toplight Mercantile Private Limited	-	-	11.10	8.53	11.10	8.53
Whispering Developers Private Limited	-	-	-	0.00	-	0.00
Elysian Beautification Private Limited	-	-	-	0.01	-	0.01

17. Loans Received

Narantak Dealcomm Limited	-	-	20.00	49.11	20.00	49.11
Dorite Tracon Private Limited	-	-	6.25	9.13	6.25	9.13
Meghana Vyaapar Private Limited	-	-	-	6.00	-	6.00
Subham Capital Private Limited	-	-	9.81	11.00	9.81	11.00

18. Loans Repaid - -

Narantak Dealcomm Limited	-	-	46.59	49.93	46.59	49.93
Meghana Vyaapar Private Limited	-	-	-	6.02	-	6.02
Subham Buildwell Private Limited	-	-	19.50	-	19.50	-
Toplight Merchantiles Priva	-	-	3.29	-	3.29	-
Subham Capital Private Limited	-	-	13.13	11.31	13.13	11.31
Dorite Tracon Private Limited	-	-	-	9.40	-	9.40

19. Loans Given

Shyam Sel and Power Limited	256.00	-	-	-	256.00	-
Narantak Dealcomm Ltd.	-	-	25.52	-	25.52	-

Toplight Merchantiles Priva	-	-	3.29	-	3.29	-
Subham Buildwell Private Limited	-	-	16.46	-	16.46	-
Dorite Tracon Private Limited	-	-	11.41	-	11.41	-
Elysian Beautification Private Limited	-	-	-	2.50	-	2.50

20. Loans Received Back

Shyam Sel and Power Limited	256.00	-	-	-	256.00	-
					-	-

21. Interest on Loan Given

		-		-	-	-
Shyam Sel and Power Limited	5.79	-	-	-	5.79	-

22. Interest on Loan Taken

Narantak Dealcomm Limited	-	-	0.25	1.73	0.25	1.73
Meghana Vyaapar Private Limited	-	-	-	0.27	-	0.27
Subham Capital Private Limited	-	-	-	0.41	-	0.41
Subham Buildwell Private Limited	-	-	-	0.03	-	0.03
Toplight Mercantile Private Limited	-	-	0.04	(0.09)	0.04	(0.09)
Dorite Tracon Private Limited	-	-	-	0.48	-	0.48

23. Balances outstanding on account of Receivables/(Payable)

Dorite Tracon Private Limited	-	-	(0.67)	-	(0.67)	-
Damodar Aluminium Private Limited	0.01	0.10	-	-	0.01	0.10
Singhbhum Steel & Power Private Limited	-	-	-	0.11	-	0.11
Kalinga Infra-Projects Limited	-	-	-	1.39	-	1.39
Shyam Ores (Jharkhand) Private Limited (Upto 18.06.2020)	-	-	0.01	7.93	0.01	7.93
S S Natural Resources Private Limited	168.44	-	0.01	-	168.45	-
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019)	-	(0.00)	-	-	-	(0.00)
Meadow Housing Private Limited	-	0.29	0.75	-	0.75	0.29
Kolhan Complex Private Limited	-	-	1.20	-	1.20	-
Subham Capital Private Limi	-	-	(8.87)	-	(8.87)	-
Toplight Merchantiles Priva	-	-	(2.88)	-	(2.88)	-
Platinum Minment Private L	-	-	30.86	-	30.86	-
Shyam Ferro Alloys Limited	-	-	-	2.40	-	2.40
Shree Venkateshwara Electrocast Private Limited	-	-	41.64	-	41.64	-
Shyam Energy Limited	0.12	0.05	-	-	0.12	0.05
Shyam Solar Appliances Private Limited	-	-	-	0.51	-	0.51
Elysian Beautification Private Limited	-	-	-	0.27	-	0.27
Narantak Dealcomm Limited	-	-	(7.91)	(0.01)	(7.91)	(0.01)
Meghana Vyaapar Private Limited	-	-	(3.71)	-	(3.71)	-

* 0.00 Figure represents value less than Rs. 1 Lakh.

Note 48 - Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Group. The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities. The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

(₹ in Crores)

Particulars	31st March 2022	31st March 2021
Borrowings (Note - 19, 24 and 26)	533.67	789.43
Trade payables (Note-25)	1,193.94	367.06
Less: Cash and cash equivalents (Note-11)	91.90	163.84
Less: Current investments (Note - 9)	685.68	215.24
Net debt	**950.04**	**777.41**
Equity	255.08	233.61
Other Equity	5,579.59	3,400.41
	5,834.67	**3,634.02**
Capital and net debt	614.15	467.45
Gearing ratio	14.00%	17.62%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31,2022. and years ended March 31,2021.

Note 49 - Additional Information

i) Expenditure in Foreign Currency (on accrual basis) **(₹ in Crores)**

Particulars	31st March 2022	31st March 2021
Travelling expenses	0.05	0.00
Demurrage Charges on Import of Raw Materials	0.00	2.98
Raw Materials	1002.65	317.42
Interest on Loan	0.17	2.26

ii) Earnings in Foreign Currency (on accrual basis) `

Particulars	31st March 2022	31st March 2021
Exports (F.O.B. value)	1,554.22	806.48

Note 50 - The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.94% and the reported tax expense in profit or loss are as follows :-

Effective Tax Reconciliation **(₹ in Crores)**

	31st March 2022	31st March 2021
Accounting profit before income tax	**2,364.33**	**1,054.94**
Enacted tax rate in India	34.94%	34.94%
Computed expected tax expenses	826.19	368.64
Tax holidays	(212.62)	(247.05)
Income exempted from tax	(61.78)	(44.13)
Other Adjustments	88.38	133.94
Income Tax recognised in Profit and Loss account	**640.17**	**211.40**

Note 51 - Value of imports calculated on CIF Basis **(₹ in Crores)**

Particulars	31st March 2022	31st March 2021
Raw Materials	1,002.65	317.42

Note 52 - Long Term and Derivative Contract

The group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Note 53 - Disclosure of Transactions with Struck off Companies

The group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year

Note 54

No Transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III :

a) Crypto Currency or Virtual Currency
b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
c) Registration of charges or satisfaction with Registrar of Companies
d) Relating to borrowed funds :
   i. Wilful defaulter
   ii. Discrepancy in utilisation of borrowings
   iii. Current maturity of long term borrowings

Note 55

There are some parties from whom the Group has receivables. There is a mismatch in reconciliation of such receivables and the same is under review.

Note 56

Figures of previous years have been regrouped / rearranged / rectified wherever necessary to make them comparable with the current periods figures

57. List of Subsidiaries, Associates & Joint Ventures included in the Consolidated Financial Statements are as under:

Name of Companies	Country of Incorporation	31st March 2022	31st March 2021
Subsidiary			
Shyam Sel & Power Limited	India	100.00%	100.00%
Damodar Aluminium Private Limited	India	0.00%	54.15%
Singhbhum Steel & Power Private Limited	India	0.00%	91.45%
Renaissance Hydro Power Private Limited	India	0.00%	100.00%
Step Down Subsidiary			
Shyam Energy Ltd	India	87.12%	87.12%
Platinum Minmet Pvt Ltd	India	99.85%	0.00%
Shree Venkateshwara Electrocast Private Limited	India	90.00%	0.00%
Hrashva Storage and Warehousing Pvt Ltd	India	99.90%	87.11%
Meadow Housing Pvt. Ltd.	India	71.43%	99.05%
Taurus Estates Pvt. Ltd	India	89.29%	89.29%
Whispering Developers Pvt. Ltd.	India	67.57%	67.57%
Nirjhar Commodities Pvt. Ltd	India	58.00%	58.00%
Shree Sikhar Iron & Steel Pvt Ltd	India	99.91%	99.91%
Kalinga Infra Projects Limited	India	0.00%	90.00%
Associate			
Meghana Vyapaar Private Limited	India	33.51%	33.51%
Kolhan Complex Private Limited	India	41.28%	49.88%
Kecons Tradecare Private Limited	India	0.00%	47.32%
Joint Venture			
MJSJ Coal Limited	India	9.00%	9.00%
Kalinga Energy & Power Ltd.	India	50.00%	50.00%
Karo River Pellets Private Limited	India	50.00%	50.00%

Shyam Metalics and Energy Limited

58. Notes to the consolidated Financial Statements for the year ended 31st March 2022 **(₹ in Crores)**

Name of the entity in the group	31st March 2022							
	Net Assets i.e. total assets minus Liabilities		Share in profit and loss		Share in other comprehensive		Share in total comprehensive income	
	As % of Consolidated Net Assets	(Amount in Rs. Crores)	As % of Consolidated Profit & Loss	(Amount in Rs. Crores)	As % of Consolidated Other Comprehensive Income	(Amount in Rs. Crores)	As % of Consolidated Total Comprehensive Income	(Amount in Rs. Crores)
Parent								
Shyam Metalics and Energy Limited	38.24%	1,948.71	45.65%	1,112.26	46.36%	851.09	45.96%	1,963.35
Subsidiaries								
Shyam Sel & power Limited	60.95%	3,106.21	54.09%	1,317.86	54%	982.83	53.85%	2,300.68
Step down subsidiaries								
Whispering Developers Private Limited	0.00%	0.05	-0.03%	(0.67)	-0.04%	(0.67)	-0.03%	(1.33)
Platinum Minmet Pvt Ltd	0.02%	0.94	-0.01%	(0.25)	-0.01%	(0.25)	-0.01%	(0.50)
Taurus Estates Private Limited	0.01%	0.26	-0.02%	(0.55)	-0.03%	(0.55)	-0.03%	(1.10)
Shyam Energy Limited	0.37%	19.04	0.00%	(0.05)	0.00%	(0.05)	0.00%	(0.09)
Shree Venkateshwara Electrocast Private Limited	-0.10%	(5.28)	0.14%	3.40	0.19%	3.40	0.16%	6.81
Meadow Housing Private Limited	0.01%	0.46	-0.02%	(0.56)	-0.03%	(0.56)	-0.03%	(1.12)
Hrashva Storage And Warehousing Private Limited	0.06%	2.91	0.04%	1.06	0.04%	0.73	0.04%	1.79
Shree Sikhar Iron & Steel Private Limited	0.08%	3.93	0.00%	(0.03)	0.00%	(0.03)	0.00%	(0.05)
Nirjhar Commodities Private Limited	0.00%	(0.11)	0.00%	0.07	0.00%	0.05	0.00%	0.12
Non controlling Interest in all Subsidiaries	0.08%	3.99		(3.87)	-0.02%	(0.36)	-0.10%	(4.23)
Associates					-	-		
Meghana Vyapar Private Limited	0.31%	15.97	0.32%	7.71	-	-	0.18%	7.71
Kolhan Complex Private Limited	0.00%	-	0.00%	-	-	-	0.00%	-
Joint Venture							0.00%	-
Kalinga Energy & power Limited	-0.02%	(1.04)	0.00%	(0.02)	-	-	0.00%	(0.02)
TOTAL	**100%**	**5,096.06**	**100%**	**2,436.37**	**100%**	**1,835.64**	**100%**	**4,272.01**

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman cum Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Joint Managing Director
DIN 00232938

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : The 18th Day of May, 2022

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
MRN A8305

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHYAM METALICS AND ENERGY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Shyam Metalics and Energy Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entitieswhich comprises of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafterreferred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information andaccording to the explanations given to us, the aforesaidConsolidated Financial Statements give the informationrequired by the Companies Act, 2013 ("the Act") in themanner so required and give a true and fair view inconformity with the accounting principles generallyaccepted in India, of the consolidated state of affairs ofthe Group, its associates and jointly controlled entities asat March 31, 2021, its consolidated total comprehensiveincome (comprising profit and other comprehensive
income), its consolidated changes in equity and itsconsolidated cash flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to inOther Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 46 to the consolidated Ind AS financial statements, which describes the uncertainties and potential impact of the covid-19 pandemic on the Group's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters
were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Revenue from Sale of Goods (as described in note 30 to the consolidated Ind AS financial statement.	
The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the sales price, the Group considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues. The risk is, therefore, that revenue is not recognized in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures included the following: • Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers' • Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition. • Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized in accordance with Ind AS 115. • Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying documents. • Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents. • Assessed the relevant disclosures made in the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the ConsolidatedInd AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venturesare responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

SUITE NOS : 606-608
THE CHAMBERS, OPP. GITANJALI STADIUM
1865, RAJDANGA MAIN ROAD, KASBA
KOLKATA - 700 107
PHONE : 033-4008 9902 / 9903 / 9904 / 9905
Website : www.skagrawal.co.in
EMAIL : Info@skagrawal.co.in

Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and its associates and joint venturesability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative

SUITE NOS : 606-608
THE CHAMBERS, OPP. GITANJALI STADIUM
1865, RAJDANGA MAIN ROAD, KASBA
KOLKATA - 700 107
PHONE : 033-4008 9902 / 9903 / 9904 / 9905
Website : www.skagrawal.co.in
EMAIL : info@skagrawal.co.in

factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The accompanying Statement includes the audited financial statements and other financial information, in respect of:

- 11 subsidiaries including step-down subsidiaries, whose financial statements and other financial information include total assets of Rs 44.72 crores as at March 31, 2021, total revenues of Rs 11.33 crores and Rs 12.65 crores and total net profit after tax of Rs 2.84 crores and Rs 3.17 crores for the quarter and the year ended on that date respectively, and net cash outflows of Rs 33.18 crores for the year ended March 31, 2021, as considered in the Statement, whose financial statements and other financial information have been audited by their respective independent auditors.

- 2 Associates, whose financial statements and other financial information include Group's share of net profit of Rs 0.00 crores and Rs 0.01 crores and Group's share of total comprehensive profit of Rs 0.00crores and Rs 0.01 crores, for the quarter and for the year ended March 31, 2021 respectively, as considered in the Statement, whose financial statements and other financial information have been audited by their respective independent auditors.

- 3 joint ventures, whose financial statements and other financial information include Group's share of net profit of Rs 0.00 crores and Rs 0.01 crores and Group's share of total comprehensive profit of Rs 0.00 crores and Rs 0.01 crores, for the quarter and for the year ended March 31, 2021, respectively, as considered in the Statement, whose financial statements and other financial information have been audited by their respective independent auditors.

The independent auditor's report on the financial statements and other financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

I. As required by Section 143(3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of accounts as required by law have been kept by the Group so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the Directors as on 31st March 2021, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

g. With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group and its joint venture and associateshas disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements.

ii. The Group and its joint venture and associates did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.

iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Group and its joint venture and associates.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm's Registration No.: 306033E/E300272

Vivek Agarwal
Partner
Membership No. 301571

Place: Kolkata
Dated: July 8, 2021
UDIN: 21301571AAAAIJ7079

S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP
(FORMERLY S K AGRAWAL AND CO)
CHARTERED ACCOUNTANTS
LLPIN – AAV-2926
FRN- 306033E/E300272

SUITE NOS : 606-608
THE CHAMBERS, OPP. GITANJALI STADIUM
1865, RAJDANGA MAIN ROAD, KASBA
KOLKATA - 700 107
PHONE : 033-4008 9902 / 9903 / 9904 / 9905
Website : www.skagrawal.co.in
EMAIL : Info@skagrawal.co.in

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shyam Metalics and Energy Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of ShyamMetalics and Energy Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of ShyamMetalics and Energy Limited (hereinafter referred to as the "Holding Company") its joint venture and associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP
(FORMERLY S K AGRAWAL AND CO)
CHARTERED ACCOUNTANTS
LLPIN – AAV-2926
FRN- 306033E/E300272

SUITE NOS : 606-608
THE CHAMBERS, OPP. GITANJALI STADIUM
1865, RAJDANGA MAIN ROAD, KASBA
KOLKATA - 700 107
PHONE : 033-4008 9902 /9903 /9904 / 9905
Website : www.skagrawal.co.in
EMAIL : Info@skagrawal.co.in

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding company, its associates and joint ventures has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to its associate companies and joint ventures, which are companies incorporated in India, is based on the corresponding report of the auditors of such associate companies incorporated in India.

For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm's Registration No.: 306033E/E300272

Vivek Agarwal
Partner
Membership No. 301571

Place: Kolkata
Dated: July 8, 2021
UDIN: 21301571AAAAIJ7079

Shyam Metalics and Energy Limited
CIN: U40101WB2002PLC095491
Consolidated Balance Sheet as at 31st March, 2021 **(₹ in Crores)**

Particulars	Note no.	As at 31st March, 2021	As at 31st March, 2020
Assets			
Non-Current Assets			
a) Property, Plant and Equipment	2	1,758.87	1,968.52
b) Right-of-use assets	2A	42.69	43.16
c) Capital work-in-progress	3	506.40	235.45
d) Intangible Assets	4	0.65	0.79
e) Investments in associates and joint ventures	5	11.95	11.70
f) Financial Assets			
i) Investments	5a	54.63	60.73
ii) Other Financial Assets	6	39.76	40.76
g) Other Non-current Assets	7	252.47	140.32
h) Deferred Tax Assets (Net)	22	6.76	29.02
		2,674.18	**2,530.45**
Current Assets			
a) Inventories	8	1,030.23	1,486.71
b) Financial Assets			
i) Investments	9	215.24	71.59
ii) Trade Receivables	10	533.54	159.02
iii) Cash and Cash equivalents	11	163.84	29.70
iv) Other Bank Balances	12	159.94	91.54
v) Loans	13	16.18	8.95
vi) Other Financial Assets	14	87.38	61.40
c) Current tax assets (net)	15	0.15	4.79
d) Other Current Assets	16	539.22	618.02
		2,745.72	**2,531.72**
Total Assets		**5,419.90**	**5,062.17**
Equity and Liabilities			
a) Equity Share Capital	17	233.61	233.61
b) Other Equity	18	3,400.44	2,592.84
Total Equity		**3,634.05**	**2,826.45**
Non Controlling Interest		**4.35**	**4.15**
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	19	120.18	351.31
ii) Lease Liabilities	24 A	6.01	5.93
iii) Others Financial Liabilities	20	9.73	19.88
b) Provisions	21	10.59	27.18
c) Other Non-current Liabilities	23	206.93	262.69
		353.44	**666.99**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	24	664.78	698.61
ii) Lease Liabilities	24 A	0.58	0.45
iii) Trade Payables			
Outstanding due to Micro, Small and Medium Enterprises	25	2.20	3.35
Outstanding due to Creditors other than Micro, Small and Medium Enterprises		364.86	579.43
iv) Other Financial Liabilities	26	63.79	154.55
b) Other Current Liabilities	27	295.51	127.64
c) Provisions	28	29.28	0.55
d) Current Tax Liabilities (Net)	29	7.06	-
		1,428.06	**1,564.58**
Total Equity and Liabilities		**5,419.90**	**5,062.17**
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	1 to 58		

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Deepak Kumar Agarwal
Wholetime Director
DIN 00560010

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : 8th July 2021

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
A8305

Shyam Metalics and Energy Limited
CIN: U40101WB2002PLC095491
Consolidated Statement of Profit & Loss for the period ended 31st March, 2021 **(₹ in Crores)**

	Particulars	Notes	31st March, 2021	31st March, 2020
	INCOME			
I	Revenue from operations	30	6,297.07	4,376.35
II	Other Income	31	23.72	11.83
III	**Total Income (I+II)**		**6,320.79**	**4,388.18**
IV	**EXPENSES**			
	Cost of material consumed	32	3,716.74	2,718.23
	Purchase of stock-in-trade		67.58	63.25
	Change in inventories of finished goods, stock in trade and work -in-progress	33	48.99	(103.50)
	Employee benefits expense	34	188.14	168.36
	Finance costs	35	62.46	85.89
	Depreciation and amortisation expense	36	300.36	296.68
	Other expenses	37	881.83	863.92
	Total Expense(IV)		**5,266.10**	**4,092.83**
V	**Profit/(loss) before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)**		**1,054.69**	**295.35**
VI	Share in Profit/(Loss) of Associate and Joint Venture		0.27	0.02
	Profit/(Loss) before tax (V+VI)		**1,054.96**	**295.37**
VII	Tax expense:	38		
	(i) Current tax		266.56	57.45
	(ii) Deferred tax		(55.16)	(102.31)
VIII	**Profit/(loss) for the period (VI-VII)**		**843.56**	**340.23**
IX	**Profit for the Year (VIII+IX+X)**		**843.56**	**340.23**
	Profit / Loss attributable to Non Controlling Interest		0.20	(0.01)
	Profit / Loss attributable to owners of the Parent		843.36	340.24
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit and loss			
	- Remeasurement of Defined Benefit Plan		0.68	(0.65)
	- Equity instruments at fair value through other comprehensive income;		5.89	1.63
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.42)	(0.55)
	Other comprehensive income for the year		**5.15**	**0.43**
XI	**Total Comprehensive Income for the period (XI+XII)**		**848.71**	**340.66**
	Comprehensive Income attributable to Non Controlling Interest		0.20	(0.01)
	Comprehensive Income attributable to owners of the Parent		848.51	340.67
XII	**Earning per Equity Share of ₹ 10 each (in ₹)**	41	36.10	14.56
	Significant Accounting Policies	1		
	Notes forming part of the Financial Statements	1 to 58		

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Deepak Kumar Agarwal
Wholetime Director
DIN 00560010

Vivek Agarwal
Partner
Membership No. : 301571
Place: Kolkata
Date : 8th July 2021

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
A8305

Shyam Metalics and Energy Limited
CIN: U40101WB2002PLC095491
Consolidated Statement of Changes in Equity for the year ended 31st March 2021

Total Equity (₹ in Crores)

Particulars	Reserve and surplus								
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	FVTOCI Equity Instruments	Remeasurement of the net defined benefit plans	Total Attributable to Owners of the Company	Attributable to Non Controlling Interest	Total Other Equity
Balance at 1st April 2019	**178.15**	**1,666.12**	**388.33**	**1.10**	**22.85**	**-**	**2,256.55**	**4.43**	**2,260.98**
Profit / (Loss) for the year	-	340.24	-	-	-	-	340.24	-	340.24
Income tax effect	-	-	-	-	(0.55)	-	(0.55)	-	(0.55)
Adjustment in Non Controlling Interest during the year	-	-	-	-	-	-	-	(0.28)	(0.28)
Acquisition of subsidiary	-	-	(4.46)	-	-	-	(4.46)	-	(4.46)
Other Comprehensive Income	-	-	-	-	1.17	(0.59)	0.58	-	0.58
Transfer to Retained earnings	-	(0.11)	-	-	-	0.59	0.48	-	0.48
Balance at 31st March 2020	**178.15**	**2,006.25**	**383.87**	**1.10**	**23.47**	**-**	**2,592.84**	**4.15**	**2,596.99**
Balance at 1st April 2020	**178.15**	**2,006.25**	**383.87**	**1.10**	**23.47**	**-**	**2,592.84**	**4.15**	**2,596.99**
Profit / (Loss) for the year	-	843.36	-	-	-	-	843.36	-	843.36
Income Tax Effect	-	-	-	-	1.12	(0.12)	0.99	-	0.99
Adjustment in Non Controlling Interest during the year	-	-	-	-	-	-	-	0.20	0.20
Profit on sale of Investment	-	-	-	-	0.03	-	0.03	-	0.03
Disposal of Subsidiary	-	0.01	-	-	-	-	0.01	-	0.01
Merger Impact	-	-	0.74	-	-	-	0.74	-	0.74
Dividend Paid	-	(43.22)	-	-	-	-	(43.22)	-	(43.22)
Transferred to Demerged Division	-	(0.89)	-	-	-	-	(0.89)	-	(0.89)
Transfer to Retained earnings	-	0.44	-	-	-	(0.44)	-	-	-
Other Comprehensive Income	-	-	-	-	6.00	0.56	6.57	-	6.57
Balance at 31st March 2021	**178.15**	**2,805.95**	**384.61**	**1.10**	**30.62**	**-**	**3,400.44**	**4.35**	**3,404.78**

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Deepak Kumar Agarwal
Wholetime Director
DIN 00560010

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : 8th July 2021

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
A8305

Shyam Metalics and Energy Limited
CIN: U40101WB2002PLC095491
Consolidated Statement of Cash Flow **(₹ in Crores)**

Particulars	For the Year Ended	
	31 March 2021	**31 March 2020**
A. Cash flow from operating activities:		
Net Profit Before Tax	1,054.96	295.37
Non Cash Adjustment for Non cash Non operating items		
Depreciation	300.36	296.70
Provision for Gratuity	1.78	0.21
Dividend Received	(0.08)	(0.60)
Unspent Liabilities written back and Unclaimed Balances adjusted	(11.61)	(4.64)
Unrealised Foreign Exchange Fluctuations	(12.74)	1.45
Gain on fair value of mutual fund investment	(1.01)	(1.32)
Gain on derivative contracts (including provision for mark-to-market losses)	-	(0.06)
Gain in fair value of equity instruments through Profit and loss	(8.53)	-
Profit on Sale of Investments	(1.33)	(1.84)
(Profit)/Loss on sales of Property, Plant and Equipment	-	0.17
Interest Income	(11.50)	(5.96)
Interest & Finance charges	62.46	85.89
Operating Profit Before Working Capital Changes	**1,372.76**	**665.37**
Adjustments for movement in:		
Increase/(Decrease) in Trade and other payables	(213.30)	(81.16)
Decrease / (Increase) in Trade Receivable	(364.69)	(41.24)
Decrease / (Increase) in Inventories	456.48	(754.58)
Decrease / (Increase) in other assets	(12.88)	175.11
Cash flow from operating activities before taxes	**1,238.37**	**(36.50)**
Direct Taxes Paid (net)	(188.58)	(54.50)
Net cash flow from operating activities (A)	**1,049.80**	**(91.00)**
B. Cash flow from investing activities:		
Purchase of Property Plant & Equipment (Net)	(361.05)	(563.70)
(Increase)/ Decrease in Investment (Net)	(126.92)	133.03
Dividend Received	0.08	0.60
Loans Refunded/ (Given)	(9.76)	3.41
Interest Received	5.38	6.75
Net cash from investing activities (B)	**(492.27)**	**(419.91)**
C. Cash flow from financing activities:		
Repayments/Proceeds from Borrowing (Net) & Current Maturities	(317.91)	616.88
Acquisition of Non Controlling Interest	0.20	(0.28)
Dividend Paid	(43.22)	-
Interest paid	(62.46)	(85.89)
Net cash from financing activities (C)	**(423.39)**	**530.71**
Effect of Foreign Exchange Fluctuation (D)	**-**	**-**
Net Changes in Cash & Cash Equivalents (A+B+C+D)	**134.14**	**19.80**
Cash and cash equivalents at the beginning of the year	**29.70**	**9.90**
Closing Cash & Cash Equivalents	**163.84**	**29.70**

Notes to the cash flow statement

1. The above statement of cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flow".

2. Cash and cash equivalent comprises of:

(₹ in Crores)

Particulars	31 March 2021	31 March 2020
Balance with banks - in current account	163.84	21.46
Cash credit account	-	(0.56)
Cheques/ DD on Hand	-	1.35
Cash on hand	-	7.45
Total	**163.84**	**29.70**

The above statement should be read with the notes to the Consolidated Financial statements as appearing in Annexure V and Material Adjustment to Consolidated Financial Statements and notes thereon appearing in Annexure VII

As per our report of even date attached.
For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 306033E / E300272

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Deepak Kumar Agarwal
Wholetime Director
DIN 00560010

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : 8th July 2021

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
A8305

Company Overview and Significant Accounting Policies

1. Company Overview

ShyamMetalics and Energy Limited ('the company') is a public limited company incorporated in India in 2002 under the Companies Act, 1956. The registered office of the Company is at Trinity Tower, 83 Topsia Road, 7th Floor, Kolkata – 700 046.

The Company and its subsidiaries (collectively referred to as 'the Group') have a presence across the entire value chain of manufacture and sale of ferro alloys, iron &steel products and power generation.

The consolidated financial statements as at March 31, 2021 present the financial position of the Group as well as its interests in associate companies and joint arrangements.

Significant Accounting Policies

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

b. Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crores, except otherwise stated.

c. Use of estimates and critical accounting judgements

In preparation of the consolidated financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying value of assets and liabilities include useful lives of property, plant and equipment and intangible assets, investments and goodwill, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of associates that are consolidated using the equity method of consolidation.

Control is achieved when the Company is exposed to or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The results of subsidiaries and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries and associates to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identifiedseparately from the Group's equity. The interest of noncontrolling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

e. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition.Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

f. Investment in associates

Associates are those enterprises in which the Group has significant influencebut does not have control.

Investments in associates are accounted for using the equity method and are initially recognised at cost, from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

Clarification that measuring investment at fair value through profit or loss is an investment by investment choice:

i) An entity that is a Venture capital organisation or other qualifying entity, may elect at initial recognition on an investment by investment basis, to measure its investment in associates and joint ventureat fair value through profit or loss.

ii) If an entity, that is not itself an investment entity, has an interest in an associates or joint venture that is an investment entity may, when applying the equity method, elect or retain the fair value measurement applied by that investment entity, associate or joint venture to the investment entity associate's or joint venture's interest in subsidiaries. This election is made separately for each investment entity associates or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associates or joint venture becomes an investment entity; and (c) the investment entity associates or joint venture first becomes a parent.

g. Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Where Group entity undertakes its activities under joint arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

h. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in quoted and unquoted equity shares
- Financial instruments

i. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

j. Property, plant and equipment

Recognition and initial measurement

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Impairment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the statement of profit and loss.

On the date of transition to Ind AS, the Group has elected to take fair value as deemed cost for land, building and plant &equipments.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

k. Intangible assets (excluding goodwill)

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer software	3 to 5 years

On the date of transition to Ind AS, the Group has elected to continue with carrying value of all its intangible assets recognised as of 1st April, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost.

l. Depreciation and amortisation of property plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a written down value basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives as per the useful life prescribed in Schedule II to the Companies Act, 2013, oras per technical assessment, or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

In case of certain classes of PPE, the Group uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

m. Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or CGU) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

n. Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

(i) **Operating lease** – Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

(ii) **Finance lease** – Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

The Group as lessor

(i) **Operating lease** – Rental income from operating leases is recognised in the statement of consolidated profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

(ii) **Finance lease** – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

o. Financial Instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

• the entity's business model for managing the financial assets and

• the contractual cash flow characteristics of the financial asset.

Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Other Comprehensive Income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of unquoted equity investments which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments.

Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group has measured quoted equity instruments at fair value through profit or loss.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at fair value through profit and loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit and loss:
Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Group recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

p. Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

q. Inventories

Raw materials, stores and spares & traded goods are valued at lower of cost and net realizable value. However, material and other items held for use in the production of finished goods are not written down below cost if the finished products, in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on weighted average basis.

By-products are valued at estimated net realizable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

r. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

s. Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit and Loss

t. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Group must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

u. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except wheretheGroup is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

v. Adoption of new Indian Accounting Standards and interpretations

Revenue from Contracts with Customers: -

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.

Ind AS 115 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018.

In terms of the requirement of the new standard, revenue is recognised net of trade schemes, discounts and incentives payable to distributors/dealers and retailers.

w. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government like GST.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

x. Foreign currency transactions

The financial statements of the Group are presented in Indian rupees (₹), which is the functional currency of the Group and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the translation or settlement of other monetary items are included in the statement of profit and loss for the period.

y. Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

z. Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

aa. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

bb. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with the financial institutions, other short term, highly liquid investments with original maturities of three months or less (except the instruments which are pledged) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.
Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

ab. Tradeand other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

ac. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

ad. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

ae. Expected Credit Loss

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

af. Revenue from contract with customer (Pending)

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
The standard permits two possible methods of transition:

Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors;

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

ag. Investment Property (Pending)

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight

ah. Recent accounting pronouncements

- **<u>Ind AS 116 Leases</u>**:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company is in the process of evaluating the impactof such amendment.

- **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company is in the process of evaluating the impactof such amendment.

- **Amendment to Ind AS 12 – Income taxes**

  On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company is in the process of evaluating the impactof such amendment.

- **Amendment to Ind AS 19 plan amendment, curtailment or settlement**-

  On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

  The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company is in the process of evaluating the impactof such amendment.

- **Amendment to Ind AS 103, Business Combinations and Ind AS 111 Joint Arrangement**
  This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of business. The Company is in the process of evaluating the impactof such amendment.
- **Amendments to Ind AS 23, Borrowing Costs**
  The amendment clarifies that the general borrowings pool used to calculate eligible borrowing costs excludesonly borrowings that specifically finance qualifying assets that are still under development or construction. The Company is in the process of evaluating the impactof such amendment.
- **Amendments to Ind AS 28, Investments in Associates and Joint Ventures**

When applying the equity method, a non-investment entity that has an interest in an investment entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organizations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections applyfor each investment entity associate or joint venture separately. The Company is in the process of evaluating the impactof such amendment.

2. Property, Plant and Equipment **(₹ in Crores)**

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2020	Additions	Disposals/ Adjustments	31st March, 2021	1st April 2020	Additions	Disposals/ Adjustments	31st March, 2021	31st March, 2021
Freehold Land	213.31	2.22	1.57	213.97		-	-	-	213.97
Buildings	531.04	16.84	1.24	546.65	167.68	41.63	0.55	208.77	337.88
Plant and Equipment	2,326.10	70.49	-	2,396.59	938.92	255.83	-	1,194.75	1,201.84
Furniture and Fixture	1.63	0.70	-	2.32	1.07	0.27	-	1.34	0.98
Vehicles	5.05	0.73	-	5.78	1.25	0.60	-	1.85	3.93
Office Equipment	4.00	0.61	-	4.61	3.69	0.64	-	4.34	0.27
Total	**3,081.13**	**91.59**	**2.81**	**3,169.92**	**1,112.61**	**298.97**	**0.55**	**1,411.05**	**1,758.87**

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2019	Additions	Disposals/ Adjustments	31st March 2020	1st April 2019	Additions	Disposals/ Adjustments	31st March 2020	31st March 2020
Freehold Land	204.87	8.45	-	213.31	-	-	-	-	213.31
Buildings	452.42	78.63	-	531.04	128.87	38.81	-	167.68	363.36
Plant and Equipment	1,883.86	445.92	3.68	2,326.10	686.31	254.78	2.17	938.92	1,387.18
Furniture and Fixtures	1.55	0.08	-	1.63	0.86	0.21	-	1.07	0.56
Vehicles	3.84	2.21	1.01	5.05	0.78	0.82	0.34	1.25	3.80
Office Equipment	3.17	0.84	-	4.00	3.09	0.60	-	3.69	0.31
Total	**2,549.71**	**536.13**	**4.69**	**3,081.13**	**819.91**	**295.22**	**2.51**	**1,112.61**	**1,968.52**

2A. Property, Plant and Equipment

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2020	Additions	Disposals/ Adjustments	31st March 2021	1st April 2020	Additions	Disposals/ Adjustments	31st March 2021	31st March 2021
Leasehold Building	3.33	0.71	-	4.04	0.64	0.73	-	1.37	2.67
Leasehold Land	41.90	-	-	41.90	1.42	0.45	-	1.88	40.02
Total	**45.23**	**0.71**	**-**	**45.94**	**2.06**	**1.18**	**-**	**3.25**	**42.69**

2A. Property, Plant and Equipment

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2019	Additions	Disposals/ Adjustments	31st March 2020	1st April 2019	Additions	Disposals/ Adjustments	31st March 2020	31st March 2020
Leasehold Building	-	3.33	-	3.33	-	0.64	-	0.64	2.69
Leasehold Land	41.27	0.63	-	41.90	0.97	0.45	-	1.42	40.47
Total	**41.27**	**3.96**	**-**	**45.23**	**0.97**	**1.09**	**-**	**2.06**	**43.16**

3. Capital Work -in- Progress **(₹ in Crores)**

Particulars	1st April 2020	Additions	Disposals/ Adjustments	31st March 2021
Buildings	48.58	91.24	44.61	95.21
Plant & equipments	137.21	274.92	55.71	356.42
Land	49.66	22.60	17.49	54.77
Total	**235.45**	**388.76**	**117.81**	**506.40**

Particulars	1st April 2019	Additions	Disposals/ Adjustments	31st March 2020
Buildings	14.62	101.07	67.11	48.58
Plant & equipments	293.42	285.87	442.07	137.21
Land	49.66	-	-	49.66
Total	**357.70**	**386.94**	**509.18**	**235.45**

4. Intangible assets

(₹ in Crores)

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2020	Additions	Disposals/ Adjustments	31st March 2021	1st April 2020	Additions	Disposals/ Adjustments	31st March 2021	31st March 2021
Softwares	2.12	0.06	-	2.19	1.34	0.21	-	1.54	0.65
Total	**2.12**	**0.06**	**-**	**2.19**	**1.34**	**0.21**	**-**	**1.54**	**0.65**

(₹ in Crores)

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2019	Additions	Disposals/ Adjustments	31st March 2020	1st April 2019	Additions	Disposals/ Adjustments	31st March 2020	31st March 2020
Softwares	1.79	0.34	-	2.12	0.95	0.39	-	1.34	0.79
Total	**1.79**	**0.34**	**-**	**2.12**	**0.95**	**0.39**	**-**	**1.34**	**0.79**

Note 5 - Investments in associates and joint ventures

(₹ in Crores)

Particulars	Number of shares		For the year ended		
	31st March 2021	31st March 2020	Face Value (In ₹)	31st March 2021	31st March 2020
Investments measured at cost/deemed cost					
Unquoted					
Investment in Associates					
Kolhan Complex Private Limited	1,61,200	1,61,200	10	1.45	1.45
Add: Share in Profit / (Loss)				-	(0.01)
				1.45	**1.44**
Kecons Trade Care Private Limited	74,07,500	74,07,500	10	10.00	10.00
Add: Share in Profit/(Loss)				0.01	0.01
				10.01	**10.01**
Meghana Vyapaar Private Limited	1,00,000	1,00,000	10	0.10	0.10
Add: Share in Profit/(Loss)				0.26	0.02
				0.36	**0.12**
Sub - Total				**11.82**	**11.57**
Investment in Joint Ventures					
Kalinga Energy & power ltd	1,25,000	1,25,000	10	0.13	0.13
Add: Share in Profit/(Loss)				(0.00)	0.00
				0.12	**0.13**
Karo River Pellets Private Limited	5,000	5,000	10	0.01	0.01
Add: Share in Profit/(Loss)				-	-
				0.01	**0.01**
Sub - Total				**0.13**	**0.13**
TOTAL				**11.95**	**11.70**

5a. Non current investments

Particulars	Number of shares		For the year ended		
	31st March 2021	31st March 2020	Face Value (In ₹)	31st March 2021	31st March 2020
Investments measured at fair value through profit and loss					
Unquoted					
Investment in equity instruments					
Glowing Realty Private Limited	1,50,000	1,50,000	10	0.15	0.15
	1,50,000	**1,50,000**		**0.15**	**0.15**
Investments measured at fair value through other comprehensive income					
Unquoted					
Investment in equity instruments					
Shyam Ferro Alloys Limited	-	4,90,000	10	-	5.75
Dorite Tracon Private Limited	7,30,000	7,30,000	10	10.62	10.01
Narantak Dealcomm Limited	27,28,088	27,28,088	10	37.38	33.31
Platinum Minmet Private Limited	9,800	9,800	10	0.09	0.09
Subhlabh Commercials Private Limited	1,01,350	1,01,350	10	1.72	1.72
Shubham Capital Private Limited	3,57,000	3,57,000	10	4.09	4.21
Sunglow Complex Private Limited	9,800	9,800	10	0.08	0.08
Swarnrekha Abasan Private Limited	9,800	9,800	10	0.14	0.14
Karva Automart Limited	10,000	10,000	10	0.03	0.03
				54.15	**55.34**
Investment In Land				**0.23**	**0.24**
Investment in Bond					
8.09% PFC Ltd	-	500		**-**	**4.90**
Investment in Government Securities					
National Saving Certificate (VII Issue)				**0.10**	**0.10**
Total				**54.63**	**60.73**
Aggregate amount of unquoted investments				**54.63**	**60.73**
Aggregate amount of quoted investments				**-**	**-**
Aggregate market value of quoted investments				**54.63**	**60.73**

6. Other financial assets

(Unsecured, considered good) **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Security deposits	2.73	11.79
Bank deposits for maturity more than 12 months	37.03	28.97
Total	**39.76**	**40.76**

(a) Fixed Deposits amounting to Rs. 31.85 Crores (31st March 2020 : 26.21 Crores) are held as margin money

7. Other non-current assets

(Unsecured, considered good) **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Capital advances	246.67	52.16
Advances recoverable	-	77.46
Employees Advance	-	4.67
Deposits against demands under dispute	5.34	5.20
Prepaid expenses	0.46	0.81
Advance Tax	-	0.02
Total	**252.47**	**140.32**

8. Inventories **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
(Valued at lower of cost and Net Realisable Value)		
Raw Materials	726.12	1,138.74
Work in progress	2.53	2.49
Finished Goods	198.56	235.27
Stores and Spares	63.80	63.58
Fuel	0.90	1.09
Traded Goods	6.24	8.44
By Products	32.08	37.12
Total	**1,030.23**	**1,486.71**

9. Current Investments

(i) Inventories have been pledged as security for liabilities **(₹ in Crores)**

Particulars	Number of shares		Face Value (In ₹)	31st March 2021	31st March 2020
	31st March 2021	31st March 2020			
Investment in Bond					
8.09% PFC Ltd	500.00	-	-	4.96	-
				4.96	**-**
Investments measured at fair value through other comprehensive income					
Quoted					
Investment in equity instruments					
Bajaj Finance ltd	6,547.00	6,547.00	2.00	3.37	1.45
Investment in preference shares					
Zee Entertainment (Redemable Preference Share)	2,097.00	2,097.00	2.00	-	0.00
Brookfield India Real Estate Trust Reit	58,400.00	-		1.30	-
SUB-TOTAL				**4.67**	**1.45**
Investment in Non- Convertible Debenture					
Miraya Reality Private Limited NCD Fv 1 Lac	56.00	56.00	1,00,000	0.70	0.91
Cornerview Constructions & Developers Private Limited	80.00	80.00	50,000	0.03	0.14
Shriprop Dwellers Private Limited	54.00	54.00	1,00,000	0.08	0.25
Shriprop Dwellers Private Limited	31.00	31.00	1,00,000	0.77	0.65
NCD Sterling Habitats Private Limited	4.00	4.00	1,00,000	0.06	0.05
Miraya Reality Private Limited NCD FCV 1.03Lac	94.00	94.00	1,00,000	1.12	1.30
Genie Commercial Ventures Pvt. Ltd	77.00	77.00	1,00,000	0.93	0.95
NCD Cornerview Constructions Pvt Ltd	72.00	72.00	50,000	0.05	0.15
Sterling Habitats Pvt Ltd	28.00	28.00	1,00,000	0.35	0.30
Genie Commercial Ventures Pvt. Ltd.	5.00	5.00	1,00,000	0.05	0.05
Embassy Office Parks Reit Sr I	10.00	10.00	10,00,000	1.11	1.00
ICICI HOME FINANCE CO. LTD- BOND ISSUANCE	80.00	80.00	5,00,000	4.60	4.00
SUB-TOTAL				**9.85**	**9.75**

Quoted					
Investment in Mutual Funds					
Aditya Birla Sun Life Infrastructure Fund -Plan Dividend	-	52,060.19	-	-	0.06
Aditya Birla Sun Life Index Fund - Growth	-	28,206.94	-	-	0.24
DSP Equity Fund Direct Plan - Growth	-	80,620.94	-	-	0.28
DSP Blackrock Natural Resources And New Energy Fund- Dividend	-	70,553.66	-	-	0.08
Kotak Infrastructure And Economic Reform Fund Direct Dividend	-	50,236.79	-	-	0.08
ICICI Prudenctial Value Fund Series 20 Direct Plan	5,00,000.00	5,00,000.00	-	0.62	0.38
Franklin India Smaller Companies Fund -Direct - Growth	-	78,356.27	-	-	0.29
HDFC Housing Opportunities Fund- Direct Growth	10,00,000.00	10,00,000.00	-	1.10	0.65
HSBC Small Cap Equity Fund - Growth Direct Plan	-	18,039.28	-	-	0.06
Edelweiss Crossover Opportunities Fund	91,26,118.52	1,55,54,843.98	-	16.00	15.19
Edelweiss Real Estate Opportunities Fund.	20,529.89	29,520.00	-	23.74	34.50
Kotak Equity Arbitrage Fund - Direct Plan - Fortnight Dividend	1,99,05,932.31	-	-	60.28	-
SBI Debt Fund Series - C - 7 (1190 Days) - Direct Growth	59,66,495.71	59,66,495.71	-	7.52	7.07
L&T Infrastructure Fund Direct Plan -Dividend	-	68,558.89	-	-	0.08
L&T India Large Cap Fund - Growth	-	1,14,648.93	-	-	0.26
HSBC Large Cap Equity Fund - Growth	-	14,678.79	-	-	0.26
TATA ARBITRAGE FUND- DIRECT PLAN- GROWTH	3,07,01,551.44		-	35.22	-
Nippon India Arbitrage Fund- Growth	2,29,90,227.33		-	50.18	-
HDFC Housing Opportunities Fund Series 1	10,00,000.00	10,00,000.00	-	1.10	0.65
Kotak Blue Chip Fund - Growth	-	13,027.52	-	-	0.26
SUB-TOTAL				**195.76**	**60.39**
TOTAL				**215.24**	**71.59**
Aggregate amount of quoted investments				**215.24**	**71.59**
Aggregate market value of quoted investments				**215.24**	**71.59**

10. Trade receivables **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Trade receivables considered good (Unsecured)	375.45	144.38
Trade receivables considered good (Secured)	158.10	14.64
Trade receivables - credit impaired	1.61	4.53
	535.15	**163.55**
Less: Allowances for credit losses	(1.61)	(4.53)
Total	**533.54**	**159.02**

Expected Credit Loss - In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Ageing of Trade receivable **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
0 - 30 days	400.40	81.35
31 - 60 days	100.62	37.70
61 - 90 days	9.45	9.25
More than 90 days	24.68	35.25
Total	**535.15**	**163.55**

11. Cash and cash equivalents **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Balance with banks:		
Current account	154.41	28.87
Cash credit account	-	(0.06)
Cheques/ DD on Hand	3.46	0.14
Fixed Deposits with maturity less than 3 months	5.23	-
Cash in hand	0.74	0.75
Total	**163.84**	**29.70**

12. Other bank balances **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Fixed Deposits held as margin with maturity less than 3 months	18.18	36.46
Fixed deposits maturity for more than 3 months but less than 12 months	141.76	55.08
Total	**159.94**	**91.54**

(a) Fixed Deposits amounting to Rs. 26.49 Crores (31st March 2020 : Rs. 51.63 Crores) are held as margin money

13. Loans (₹ in Crores)

Particulars	31st March 2021	31st March 2020
(Unsecured, considered good)		
Security deposits	-	4.76
Loan to related parties	0.32	0.03
Loan to body corporates - Considered Good	7.66	4.46
Loans receivable considered good	8.96	0.46
Less: Provision for Doubtful Loans	(0.76)	(0.76)
Total	**16.18**	**8.95**

14. Other financial assets
(Unsecured, considered good) (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Interest accrued and due on fixed deposits	6.93	1.21
Interest accrued and due on bonds	0.14	-
Interest accrued on Deposits	0.25	-
Earnest money deposit	5.00	5.00
Incentive Receivable	58.95	54.64
Insurance Claim Receivable	0.27	-
MTM receivables	3.11	-
Security deposits	12.73	0.55
Total	**87.38**	**61.40**

15.Current tax assets (net) (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Advance Tax(Net of provisions)	0.15	4.79
Total	**0.15**	**4.79**

16. Other current assets
(Unsecured, considered good) (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Advances against goods and expenses		
i. Considered Good	505.51	486.72
ii. Considered doubtful	-	0.52
Capital Advances	-	88.94
Prepaid Expenses	0.40	0.39
Advances to employees	1.29	4.56
Advances for IPO	2.89	0.00
Balances with statutory authorities	29.10	37.39
Less: Provision for advances to suppliers	0.03	-0.50
Total	**539.22**	**618.02**

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March, 2021

17. Equity share capital

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
Authorised capital		
290,000,000 (March 31, 2020 - 290,000,000) Equity Shares of ₹ 10 each	290.00	290.00
Total	**290.00**	**290.00**
Issued, Subscribed & Paid-up Capital		
233,610,100 (March 31, 2020 - 233,610,100) Equity Shares of ₹ 10 each	233.61	233.61
	233.61	**233.61**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

Particulars	31st March, 2021		31st March, 2020	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity shares at the beginning of the year	2,33,61,010	233.61	2,33,61,010	233.61
Equity shares at the end of the year	**2,33,61,010**	**233.61**	**2,33,61,010**	**233.61**

b) Rights/preferences/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company Declares and pays dividends in Indian Rupees.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate no. of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

(₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Opening	8,72,903	8,72,903	8,72,903	8,72,903	5,64,324
Add: Equity Shares allotted as fully paid up pursuant to contract for consideration other than cash.	-	-	-	-	3,08,579
	8,72,903	**8,72,903**	**8,72,903**	**8,72,903**	**8,72,903**

d) Aggregate number of bonus shares allotted as fully paid up during the period of 5 years immediately preceding the reporting date

(₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Opening	-	-	-		
Add: Fully paid up bonus shares issued during the year	-	-	**1,86,88,808**	**-**	-
	-	**-**	**1,86,88,808**	**-**	**-**

e) Details of shareholders holding more than 5% shares in the Group

Particulars	31st March, 2021		31st March, 2020	
	No. of shares	Holding	No. of shares	Holding
Subham Buildwell Private Limited	7,25,97,250	31.08%	7,25,97,250	31.08%
Narantak Dealcomm Limited	5,40,63,340	23.14%	5,40,63,340	23.14%
Subham Capital Private Limited	4,19,94,770	17.98%	4,19,94,770	17.98%
Mr. Brij Bhushan Agarwal	2,32,84,820	9.97%	2,32,84,820	9.97%
Kalpataru Housfin & Trading Private Limited	2,22,19,150	9.51%	2,22,19,150	9.51%
Dorite Tracon Private Limited	1,51,96,665	6.51%	1,51,96,665	6.51%

Shyam Metalics and Energy Limited
Notes to the consolidated Financial Statements for the year ended 31st March, 2021

18. Other Equity **(₹ in Crores)**

Particulars	Reserve and surplus								
	Securities Premium	**Retained Earnings**	**Capital Reserves**	**Other Reserves**	**FVTOCI Equity Instruments**	**Remeasurement of the net defined benefit plans**	**Total Attributable to Owners of the Company**	**Attributable to Non Controlling Interest**	**Total Other Equity**
Balance at 1st April 2019	**178.15**	**1,666.12**	**388.33**	**1.10**	**22.85**	**-**	**2,256.55**	**4.43**	**2,260.98**
Profit / (Loss) for the year	-	340.24	-	-	-	-	340.24		340.24
Income tax effect	-	-	-	-	(0.55)	-	(0.55)		(0.55)
Adjustment in Non Controlling Interest during the year	-	-	-	-	-	-	-	(0.28)	(0.28)
Acquisition/Merger of subsidiary	-	-	(4.46)	-	-	-	(4.46)		(4.46)
Other Comprehensive Income	-	-	-	-	1.17	(0.59)	0.58		0.58
Transfer to Retained earnings	-	(0.11)	-	-	-	0.59	0.48		0.48
Balance at 31st March, 2020	**178.15**	**2,006.25**	**383.87**	**1.10**	**23.47**	**-**	**2,592.84**	**4.15**	**2,596.99**
Balance at 1st April 2020	**178.15**	**2,006.25**	**383.87**	**1.10**	**23.47**	**-**	**2,592.84**	**4.15**	**2,596.99**
Profit / (Loss) for the year	-	843.36	-	-	-	-	843.36		843.36
Adjustment in Non Controlling Interest during the year	-	-	-	-	-	-	-	0.20	0.20
Income tax effect	-	-	0	-	1.12	(0.12)	0.99		0.99
Profit on sale of Investment	-	-	-	-	0.03	-	0.03		0.03
Disposal of Subsidiary	-	0.01	-	-	-	-	0.01		0.01
Merger Impact	-	-	0.74	-	-	-	0.74		0.74
Dividend Paid	-	(43.22)	-	-	-	-	(43.22)		(43.22)
Transferred to Demerged Division	-	(0.89)	-	-	-	-	(0.89)		(0.89)
Transfer to Retained earnings	-	0.44	-	-	-	(0.44)	-		-
Other Comprehensive Income	-	-	-	-	6.00	0.56	6.57		6.57
Balance at 31st March, 2021	**178.15**	**2,805.95**	**384.61**	**1.10**	**30.62**	**-**	**3,400.44**	**4.35**	**3,404.78**

Note 18.1
Securities Premium : Securities Premium Reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act. , 2013.

Amalgamation Reserve : Amalgamation Reserve represents reserve created on amalgamation of Companies.
General Reserve: General Reserve is created from time to time by way of transfer of profits for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other Comprehensive income.

Other Comprehensive Income: Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:
i) Items that will not be reclassified to Profit and Loss
a. The company has elected to recognise changes in the fair value of non-current investments (other than in subsidiaries, associates and joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
b. The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI.
ii) Items that will be reclassified to profit and loss. a. This Reserve represents the cumulative effective portion of changes in fair value of currency swap that are designated as cash flow hedge are recognised in OCI. This is reclassified to statement of Profit and Loss.

Retained Earnings:Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

Note 19 - Borrowings **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Secured		
Term Loans:		
Indian Rupee loan	-	298.79
Foreign currency loan	123.12	109.47
Long term Maturities Of finance lease Obligation		
Commercial Vehicle Loan	1.19	0.45
	124.32	**408.71**
Less: Current Maturities of Long Term debt	4.46	58.04
	119.86	**350.67**
Unsecured		
Loan from related parties	0.32	0.64
Total	**120.18**	**351.31**

(a) Details of terms and Condition of Foreign Currency Loan from banks:

(ii) Repayment Terms for Secured Borrowings **(₹ in Crores)**

Name of the Bank	Type of loan	Rate of Interest (%) P.A.	As at 31st March 2021 Amount	As at 31st March 2020 Amount	Repayment Schedule
State Bank of India, South India Bank, Union Bank of India and Allahabad Bank	Term Loan	10.65% to 11.8%	-	94.14	Fully repaid during the period
ICICI Bank	ECB	6 M USD LIBOR + 4.25 %	4.06	7.67	2 Half Yearly installments remain balance on 31st March 2021
ICICI Bank(New Loan)	Term Loan	9.00%	-	75.00	Fully repaid during the period
Axis Bank	ECB	5.91%	-	19.74	External Commercial Borrowing of USD 15 million (USD NIL outstanding) is repayable in 28 (unequal) quarterly installments beginning from April 2014 and ending on January 2021
Oldenburgische Landesbank AG, Germany	ECB	6 M Euribor +1.25% p.a.	119.07	30.87	External Commercial Borrowing of EURO 18.61 million sanctioned amount and disbursed up to 31.03.2021 EURO 13.83 million (EURO 13.83 million outstanding) is repayable in 17 (equal) half yearly installments beginning from 30.06.2022 and ending on 30.06.2030
ICICI Bank, Axis & Bank of Baroda (Phase V)	Term Loan	9.00%	-	180.48	Fully repaid during the period
Less : Unamortized upfront fees and			(0.01)	0.35	
Total			**123.12**	**408.25**	

Note 19.1
Security
Exclusive first charge on the equipment (universal rolling mill, separator, universal grinder, Spare part for stock of plant & machinery procured from Achenbach, Germany)

Pre-payment terms & Penalty Clause
Breakage cost.
Note 19.2
Hire Purchase Loan is repayable in monthly installments and secured by assets purchased there against.

20. Loans (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Security deposits received	0.86	12.45
Retention Money	8.87	7.43
Total	**9.73**	**19.88**

21. Provisions (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Provision for Employee Benefits - Gratuity	9.42	8.03
Provision for Employee Benefits -Leave	1.17	19.15
Total	**10.59**	**27.18**

22. Deferred tax (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Deferred tax liability arising on account of :		
Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	147.67	207.27
Others	0.49	0.61
Fair valuation of mutual funds and investments	9.71	8.58
Deferred tax assets arising on account of :		
Provision on receivables	(1.01)	(0.64)
Provison for Employee Benefit	(4.64)	-
Lease Liabilities	(2.30)	(1.26)
Expenditure allowed for tax purpose on payment basis (43B)	-	(7.07)
Amortisation of upfront fees (net)	0.00	0.10
Others	(12.66)	(15.26)
	137.26	**192.33**
Less: MAT credit Entitlement	(144.02)	(221.35)
Total	**(6.76)**	**(29.02)**

* 0.00 Figure represents value less than Rs. 1 Lakh.

23. Other non current liabilities (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Liability for water charges	202.63	157.11
Deffered revenue grant	0.41	0.48
Creditors for capital goods	3.89	105.10
Total	**206.93**	**262.69**

Note 24A - Lease Liabilities (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Non Current Lease Liability	6.01	5.93
Current Lease Liability*	0.58	0.45
Total	**6.59**	**6.38**

24. Short-term Borrowings (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Secured		
Loans Repayable on Demand		
From Banks:		
Working Capital- Foreign Currency loan	215.93	16.04
Working capital - Demand loan	321.23	320.20
Working capital - Cash credit	68.29	362.37
Unsecured		
Borrowing from Body corporates	59.33	-
Total	**664.78**	**698.61**

Security disclosure for outstanding current borrowings:

Note 24.1

Primary Security

1st Charge on stock and receivables of the company along with other current assets on pari passu basis with working capital bankers.

Collateral Security

a) First charge on entire moveable fixed assets of the Company (Mangalpur unit) other than vehicles and other moveable fixed assets specifically charged, on pari-passu basis with other working capital lenders

b) 2nd charge on Fixed assets of the Company other than Mangalpur unit.

c) 1st pari passu charge by way of equitable mortgage of factory Land & Building of Mangalpur unit admeasuring 10 acres.

25. Trade payables **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Due to micro, small and medium enterprises	2.20	3.35
Due to others	364.86	579.43
Total	**367.06**	**582.78**

(₹ in Crores)

Particulars	31st March 2021	31st March 2020
Principal amount outstanding as at end of year	2.20	2.58
Principal amount overdue more than 45 days	-	0.72
Interest due and unpaid as at end of year	-	0.02
Interest paid to the Supplier	-	-
Payment made to the supplier beyond the appointment date during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	-	0.02
Amount of further interest remaining due and payable in succeeding year	-	-
	2.20	**3.35**

*Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, the amount due to Micro, Small and Medium Enterprises,(including interest on outstanding dues) which are outstanding as at balance sheet date is Rs. 2.20 Crores and interest on amount due for more than 45 days is Nil

26. Other financial liabilities **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Current maturities of long term debts	4.47	58.04
Retention money- Current	6.73	4.86
Interest accrued but not due on borrowings	0.23	2.73
Accrued Expenses	0.07	-
Creditors for capital goods	13.61	56.16
MTM payables	-	1.42
Employee related payables	23.47	16.14
Trade Deposits	15.21	15.20
Total	**63.79**	**154.55**

27. Other current liabilities **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Statutory dues	50.76	17.57
Advance from customers	55.97	39.93
Advance from related parties	-	0.27
Audit fee payable	0.01	-
Other payable	188.70	69.79
Deferred revenue grant	0.07	0.08
Total	**295.51**	**127.64**

28. Short-term Provisions **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Provision for Employee Benefits	0.61	0.54
Provision for Renewable Energy Cess	28.56	-
Provision for Leave Encashment	0.11	0.01
Total	**29.28**	**0.55**

29. Current Tax Liabilities (Net) **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Provision for tax (Net of provisions)	7.06	-
Total	**7.06**	**-**

30. Revenue from operations (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Operating revenue		
- Sale of manufactured products	6,137.56	4,183.88
- Sale of services	79.46	102.78
- Sale of Traded Goods	54.91	60.81
- Sale of Power	3.35	4.38
- Sale of Miscellaneous items	3.74	11.04
Other Operating Revenues		
- Export Incentive received	17.65	13.08
- Other Incentive & Subsidy Received	0.40	0.38
Total	**6,297.07**	**4,376.35**

The disaggregation of the company's revenue from contracts with customers is as under:-

(i) Geographic market (₹ in Crores)

Particulars	31st March 2021	31st March 2020
India	5,270.48	3,930.61
Outside India	1,008.54	432.28
Total	**6,279.01**	**4,362.89**

(ii) The following table provides information about receivables, contract asset and contract liabilities from contracts with customers:-

Particulars	31st March 2021	31st March 2020
Receivable which are inclued in Trade and other receivables	533.54	159.02
Contract liabilities	55.97	39.93
Total	**589.50**	**198.95**

(iii) Perfomance Obligation

The company recognises revenue from sale of goods at the point in time when control of the goods is transferred to the customers, generally on delivery of the goods and the perfomance obligation of the company is satisfied upon delivery of the goods to the customers.

31. Other income (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Non- operating Income		
Recurring Income		
Interest received on financial assets carried at amortised cost		
- Deposits	8.06	5.16
- Loans	1.01	0.80
- Bond	0.40	-
- Others	-	0.04
Interest from AIF/ Bond	2.02	-
Net Gain on sale of Investments measured at cost through Profit and Loss	1.33	1.84
Gain from fair valuation of financial instruments carried at fair value through profit and loss		
- Derivative Instruments	-	0.06
- Mutual Fund	1.01	1.06
- Bond	0.06	-
Net Gain/ (Loss) on reinstatement of Investments measured at fair value through Profit and Loss		
- Mutual Fund and Non Convertible debentures/Bond	8.53	-
Dividend received on Shares	0.08	0.60
Profit on sales of Property, Plant and Equipment	-	0.26
Insurance claim received	0.50	1.40
Others	0.72	0.61
Total	**23.72**	**11.83**

32. Cost of material consumed (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Opening stock	1,133.70	492.68
Add: Purchases	3,327.52	3,524.26
	4,461.22	**4,016.94**
Less: Sales	18.36	165.01
Less: Closing Stock	726.12	1,133.70
Total	**3,716.74**	**2,718.23**

33. Changes in inventories **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Opening Stock		
Finished Goods	240.30	145.87
Work-in-progress	2.49	2.92
Traded Goods	8.44	4.07
By-Products	37.12	34.47
	288.35	**187.33**
Closing Stock		
Finished Goods	198.56	240.30
Work-in-progress	2.53	2.49
Traded Goods	6.20	8.44
By-Products	32.08	37.12
	239.37	**288.35**
Add: Finished Goods transfer to Projects	**-**	2.48
(Increase)/ Decrease in Inventories	**48.99**	**(103.50)**

34. Employee benefits expense **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Salaries and Wages	175.66	155.84
Contribution to provident and other funds**	7.84	8.44
Staff welfare	4.64	4.08
Total	**188.14**	**168.36**

(a) During the period the Company recognised an amount of ₹ 7.73 Crores (2019-20: ₹ 8.18 Crores) as remuneration to Key Managerial Personnel. The details of such remuneration is as below:

(₹ in Crores)

Particulars	31st March 2021	31st March 2020
(a) Short -term employees Benefits	7.28	7.53
(b) Post- employment benefits	0.45	0.65
Total	**7.73**	**8.18**

(b) For descriptive notes on disclosure of defined benefit obligation refer note 42.

35. Finance costs **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Interest Expense		
- On Borrowings	43.64	60.90
- Interest Expenses for lease liability	0.19	-
Exchange difference to the extent considered as an adjustment to borrowing costs	0.24	3.42
Other Borrowing Costs	18.39	21.57
Total	**62.46**	**85.89**

36. Depreciation and amortisation **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Depreciation	298.97	295.22
Depreciation on Right of use assets	1.18	1.09
Amortisation	0.21	0.39
Total	**300.36**	**296.68**

37. Other expenses (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Rent	27.55	31.63
Rates and taxes	93.14	77.86
Power, fuel and electricity	252.17	247.14
Consumption of stores and spares parts	292.03	286.08
Repairs		
Building	2.78	8.95
Machinery	10.39	16.09
Others	5.62	8.76
Insurance	5.86	4.27
Brokerage and commission on sales	13.34	17.00
Advertisement and publicity expenses	10.18	6.99
Legal and professional	8.04	12.42
Charity and donations	-	0.12
Labour charges	84.94	70.30
Freight and Forwarding expenses	64.63	16.51
Payment to auditor	0.35	0.31
Corporate Social Responsibility	13.96	6.67
Loss on sale of Investments measured at fair value through Profit and Loss(Net)	-	0.29
Loss on Forward Contracts(Net)	(8.08)	1.42
Allowances for credit losses	(3.45)	2.52
Sundry Balances written off	7.48	-
Irrecoverable Debts, Claims and Advances Written Off	(11.61)	(4.64)
Foreign Exchange Fluctuation loss (net of gain)	(29.96)	13.43
Miscellaneous expenses	42.50	39.80
Total	**881.83**	**863.92**

38. Income Tax Expense (₹ in Crores)

Particulars	31st March 2021	31st March 2020
i) Current Tax		
Current tax	266.56	57.45
Total	**266.56**	**57.45**
ii) Deferred Tax		
Deferred tax (Liability Reversal)	(56.32)	(76.46)
Less: MAT Credit	(1.16)	(25.85)
Total	**(55.16)**	**(50.61)**

Note 39 - Earnings per Equity Share

The Company's Earnings Per Share (EPS) is determined based on the net profit / (loss) attributable to the shareholders of the company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during that particular year including share options, except where the result would be anti-dilutive.

(₹ in Crores)

Particulars	31st March 2021	31st March 2020
Net Profit / (Loss) attributable to equity shareholders		
Profit for the year	843.36	340.24
Nominal value of equity shares (₹)	10.00	10.00
Weighted average number of equity shares for basic & Diluted EPS	23,36,10,100	23,36,10,100
Basic & Diluted earnings per share (₹)	36.10	14.56

Note 40 - Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Useful Life

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgments and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Note 41 - Commitments & Contingent Liabilities

(a) Capital commitments **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	315.63	177.47

(b) Contingent Liabilities **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Claims against the company not acknowledged as debt:		
Excise Duty	111.81	111.98
Service Tax	0.39	0.14
Customs Duty	4.69	4.93
Sales Tax/VAT	24.34	24.34
ESI	0.14	0.01
Other money for which the company is contingently liable:		
Unredeemed bank guarantees on behalf of the joint venture company	94.76	2.00
Other unredeemed bank guarantees	47.61	41.54
Bills discounted with banks	106.37	19.55
Total	**390.11**	**204.49**

(i) Pending resolution of the respective proceedings , it is not practicale for the company to estimate the timing of cash outflows, if any in respect of the above as it is determindable only in receipt of judgements/decisions pending with various forums/authorities

(ii)Based on discussion with the solicitors / favourable decisions in similar cases / legal opinion taken by the Company, the management believes that the Company has good chance of success in above mentioned cases and hence no provision there against is considered necessary.

Note 42 - Employee Benefit Obligations

(₹ in Crores)

Particulars	31st March 2021		31st March 2020	
	Current	Non-current	Current	Non-current
Gratuity	0.61	9.42	0.54	8.03
Total	**0.61**	**9.42**	**0.54**	**8.03**

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied with the number of years of service.

The weighted average duration of the defined benefit plan obligations at the end of the reporting period is 7.02 years (31st March 2020 - 5.59 years)

The amounts recognized in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

Changes in defined benefit obligation **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Present value of obligation as at the beginning of the year	8.58	6.32
Interest cost	0.60	0.46
Current service cost	1.84	1.69
Benefits paid	(0.31)	(0.54)
Actuarial loss/(gain) on obligations	(0.68)	0.65
Present value obligation as at the end of the year	**10.03**	**8.58**

Breakup of actuarial gain/loss: **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	0.15	0.77
Actuarial (gain)/loss arising from experience adjustment	(0.81)	(0.13)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Present value obligation as at the end of the year	10.03	8.58
Net asset recognized in balance sheet	**(10.03)**	**(8.58)**

Amount recognized in the statement of profit and loss (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Current service cost	1.84	1.69
Interest cost	0.60	0.46
Amount recognized in the statement of profit and loss	**2.44**	**2.15**

Amount recognized in the statement of Other Comprehensive Income (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Actuarial gain/(loss) for the year on planned benefit obligations	(0.68)	0.65
Actuarial gain/(loss) at the end of the year	**(0.68)**	**0.65**

Actuarial assumptions

Particulars	31st March 2021	31st March 2020
Discount rate	6.90% p.a.	7.70% p.a
Future salary increase	5.50% p.a.	5.50% p.a.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms of maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	10.03	8.58
a) Impact due to increase of 1.00 %	9.12	8.49
b) Impact due to decrease of 1.00 %	11.09	8.66
Impact of Change in Withdrawal Rate		
Present value of obligation at the end of the year	10.03	8.58
a) Impact due to increase of 1.00 %	10.07	4.20
b) Impact due to decrease of 1.00 %	9.98	4.13
Impact of the change in salary increase		
Present value of obligation at the end of the year	10.03	8.58
a) Impact due to increase of 1.00 %	11.12	8.66
b) Impact due to decrease of 1.00 %	9.08	8.49

Leave

Changes in defined benefit obligation (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Present value of obligation as at the beginning of the year	0.21	0.15
Interest cost	0.02	0.01
Current service cost	0.39	0.07
Past Service Cost	0.66	-
Benefits paid	-0.09	(0.06)
Actuarial loss/(gain) on obligations	0.09	0.04
Present value obligation as at the end of the year	**1.28**	**0.21**

Reconciliation of present value of defined benefit obligation and the fair value of plan assets (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Present value obligation as at the end of the year	1.28	0.21
Net asset recognized in balance sheet	**1.28**	**0.21**

Amount recognized in the statement of profit and loss (₹ in Crores)

Particulars	31st March 2021	31st March 2020
Current service cost	0.39	0.07
Past Service Cost	0.66	-
Interest cost	0.02	0.01
Expected return on plan assets	-	-
Amount recognized in the statement of profit and loss	**1.06**	**0.08**

Actuarial assumptions

Particulars	31st March 2021	31st March 2020
Discount rate	6.90% p.a.	7.00%
Disability rate	5% of Mortality rate	5% of Mortality rate
Retirement Age	58 Years	58 Years
Future salary increase	5.50% p.a.	6% p.a

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms of maturity approximating to the terms of the related obligation. Other assumptions are based on management’s historical experience.

Note 43 - Financial Instruments by Category

For amortised cost instruments, carrying value represents the best estimate of fair value. **(₹ in Crores)**

Particulars	31st March 2021				31st March 2020			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial Assets								
Investment in equity instruments	0.15	58.82	-	58.96	0.15	56.80	-	56.95
Investment in mutual funds	195.76	-	-	195.76	60.39	-	-	60.39
Investment in Bonds/Debenture	9.85	-	4.96	14.81	9.75	-	4.90	14.65
Investment in government securities	-	-	0.10	0.10	-	-	0.10	0.10
Trade receivables	-	-	533.54	533.54	-	-	159.02	159.02
Loans	-	-	16.18	16.18	-	-	4.19	4.19
Security deposit	-	-	15.46	15.46	-	-	17.10	17.10
Cash and cash equivalents	-	-	163.84	163.84	-	-	29.70	29.70
Other financial asset	-	-	74.65	74.65	-	-	60.85	60.85
Margin money	-	-	196.96	196.96	-	-	120.50	120.50
Total	**205.76**	**58.82**	**1,005.69**	**1,270.26**	**70.29**	**56.80**	**396.35**	**523.45**
Financial Liabilities								
Borrowings	-	-	789.43	789.43	-	-	1,107.96	1,107.96
Trade payable	-	-	367.06	367.06	-	-	582.78	582.78
Security deposit	-	-	9.73	9.73	-	-	19.88	19.88
Other financial liabilities	-	-	59.30	59.30	-	-	96.51	96.51
Total	**-**	**-**	**1,225.52**	**1,225.52**	**-**	**-**	**1,807.12**	**1,807.12**

(a) Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurement **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Financial Assets		
Financial investments at FVOCI		
Unquoted equity instruments	58.82	56.80
Financial investments at FVTPL		
Mutual Fund	195.76	60.39
Total	**254.58**	**117.19**

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed **(₹ in Crores)**

Particulars	31st March 2021			31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Mutual funds	195.76	-	-	60.39	-	-
Bonds	-	4.96	-	-	4.90	-
Unquoted equity instruments	-	58.96	-	-	56.95	-
Investment in Government Securities		0.10			0.10	
Total	**195.76**	**64.03**	**-**	**60.39**	**61.95**	**-**
Financial Liabilities						
Borrowings	-		789.43	-		1,107.96
Total	**-**	**-**	**789.43**	**-**	**-**	**1,107.96**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(b) Fair value of financial assets and liabilities measured at amortised cost, FVTPL and FVTOCI

(₹ in Crores)

Particulars	31st March 2021		31st March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Carried at FVOCI				
Investments in equity instruments	58.96	58.96	56.95	56.95
Carried at amortised cost				
Trade receivables	533.54	533.54	159.02	159.02
Loans	16.18	16.18	4.19	4.19
Security deposit	15.46	15.46	17.10	17.10
Cash and cash equivalents	163.84	163.84	29.70	29.70
Other financial asset	74.65	74.65	60.85	60.85
Margin money	196.96	196.96	120.50	120.50
Investment in Bonds	14.81	14.81	14.65	14.65
Investment in Government Securities	0.10	0.10	0.10	0.10
Carried at FVTPL				
Investments in mutual funds	195.76	195.76	60.39	60.39
Total	**1,270.26**	**1,270.26**	**523.45**	**523.45**

(₹ in Crores)

Particulars	31st March 2021		31st March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Carried at amortised cost				
Borrowings	789.43	789.43	1,107.96	1,107.96
Trade payable	367.06	367.06	582.78	582.78
Security deposit	9.73	9.73	19.88	19.88
Other financial liabilities	59.30	59.30	96.51	96.51
Total	**1,225.52**	**1,225.52**	**1,807.12**	**1,807.12**

(c) Fair value measurements

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorized as level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorized as level 2 in the fair value hierarchy.

(v) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(vi) There have been no transfers between Level 1 and Level 2 for the period ended March 2021 and period ended March 2020.

Note 44 - Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investments, loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings in foreign currencies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

Particulars	31st March 2021	31st March 2020
Variable rate borrowings	471.96	965.58
Fixed rate borrowings	317.46	142.37

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crores)

Particulars	Effect on Profit before tax	
	31st March 2021	31st March 2020
Increase by 50 basis points (31 March 2021: 50 bps)	(2.36)	(4.83)
Decrease by 50 basis points (31 March 2021 50 bps)	2.36	4.83

b) Foreign currency risks

The Company’s functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company’s revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result’s in increase in the Company’s overall debt position in Rupee terms without the Company having incurred additional debt and favorable movements in the exchange rates will conversely result in reduction in the Company’s receivables in foreign currency.

The Company's exposure to foreign currency risk at the end of the reporting period are as follows: **(₹ in Crores)**

Nature of Item	Currency	31st March 2021		31st March 2020	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Buyer’s Credit	USD ($)	-	-	0.03	2.59
Creditors	USD ($)	1.49	108.87	2.79	210.04
Supplier's Credit	USD ($)	0.67	49.01	-	-
Supplier's Credit	EURO	0.07	6.39	-	-
Debtors	USD ($)	5.07	331.40	0.27	20.41
Debtors	EURO	0.01	1.15	-	-
Term Loan	USD ($)	0.06	4.06	0.79	59.49
Term Loan	EURO	1.38	119.07	-	-
Working Capital Demand Loan / Packing Credit	USD ($)	2.94	215.93	-	-
Interest Accrued but not due	EURO	0.00	0.02	-	-
Interest Accrued but not due	USD ($)	0.00	0.07	-	-

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Crores)

Particulars	Effect on Profit/(Loss) before tax	
	31st March 2021	31st March 2020
USD Sensitivity		
Increase by 5% (31st March 2021 - 5%)	(2.33)	(0.17)
Decrease by 5% (31st Mar 2021 - 5%)	2.33	0.17

(₹ in Crores)

Particulars	Effect on Profit/(Loss) before tax	
	31st March 2021	31st March 2020
EURO Sensitivity		
Increase by 5% (31st March 2020 - 5%)	(6.22)	-
Decrease by 5% (31st March 2020 - 5%)	6.22	-

B) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 1270.49 Crores and ₹ 523.67 Crores as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and other financial assets

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.'The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

(i) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. Any Credit risk is curtailed with arrangements with third parties .

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties . The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amount as illustrated in Note 43.

(C) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.'The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.
The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.
'The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

(₹ in Crores)

Particulars	Upto 1 year	1 to 2 years	3 to 5 years	More than 5 years	Total
Period ended 31st March 2021					
Contractual maturities of borrowings	669.56	19.12	57.06	43.68	789.42
Contractual maturities of trade payables	367.06	-	-	-	367.06

Particulars	Upto 1 year	1 to 2 years	3 to 5 years	More than 5 years	Total
Period ended 31st March 2020					
Contractual maturities of borrowings	814.69	47.70	140.18	156.21	1,158.77
Contractual maturities of trade payables	582.78	-	-	-	582.78

Note 45 - Ind As 116

Company as a Lessee

The Company has lease contracts for land and buildings used in its operations. For Buildings the lease term generally varies between 2 to 5 years and for land it can extend upto 90 years.The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

(₹ in Crores)

Particulars	31st March 2021	31st March 2020
Initial recognition on adoption of Ind AS 116		
Reclassified from Leasehold Land to ROU asset on adoption of Ind AS 116		
Opening balance	43.16	40.30
Addition during the year		
Leasehold Land	-	0.63
Leasehold Building	0.71	3.33
Depreciation Expense		
Leasehold Land	0.45	0.64
Leasehold Building	0.73	0.45
Closing balance	42.69	43.16

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(₹ in Crores)

Particulars	31st March 2021	31st March 2020
Opening Balance	6.38	2.77
Addition during the year	0.71	3.96
Add: Finance Cost	0.37	0.38
Less: Rent	0.87	0.73
	6.59	**6.38**

The Company has not applied Ind As 116 on low value assets and short term leases.

Note 46 - Impact of Covid -19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity.

Due to the lockdown announced by the Government, the Company's operations were suspended/slowed down during the lockdown period. The operations and economic activities have gradually resumed with requisite precautions and expected to return to normalcy in due course of time.

The Company has taken into account the possible impact of COVID-19 in preparation of the financial results, including its assessment of its liquidity position and recoverable value of its assets based on internal and external information up to the date of approval of these financial results and current indicators of future economic conditions.

The Company will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.

Note 47 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures)

Particulars	31st March 2021	31st March 2020
Subsidiary Company	Damodar Aluminium Private Limited Renaissance Hydro Power Private Limited Singhbhum Steel & Power Private Limited Kalinga Infra Projects Limited (w.e.f 19.8.19) Shyam Sel and Power Limited	Damodar Aluminium Private Limited Renaissance Hydro Power Private Limited Singhbhum Steel & Power Private Limited Kalinga Infra Projects Limited (w.e.f 19.8.19) Shyam Sel and Power Limited Shyam Ores (Jharkhand) Private Limited
Step-down Subsidiary Company	Hrashva Storage and Warehousing Private Limited (w.e.f. 11-04-2019) Shyam Energy Limited Taurus Estates Private Limited Whispering Developers Private Limited Meadow Housing Private Limited Nirjhar Commercials Private Limited (6-9-19) Shree Sikhar Iron & Steel Private Limited (28-6-19)	Hrashva Storage and Warehousing Private Limited (w.e.f. 11-04-2019) Shyam Energy Limited Taurus Estates Private Limited Whispering Developers Private Limited Meadow Housing Private Limited Nirjhar Commercials Private Limited (6-9-19) Shree Sikhar Iron & Steel Private Limited (28-6-19)
Associates	Meghana Vyapar Private Limited Kecons Tradecare Private Limited Kolhan Complex Private Limited	Meghana Vyapar Private Limited Kecons Tradecare Private Limited Kolhan Complex Private Limited
Joint Venture	MJSJ Coal Limited Kalinga Energy Private Limited	MJSJ Coal Limited Kalinga Energy Private Limited
Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions/ balance during the year:	Platinum Minmet Private Limited Dorite Tracon Private Limited Shyam Solar Appliance Private Limited Narantak Dealcomm Limited Shyam Ferro Alloys Limited Swarnrekha Abasan Private Limited Shyam Emco Infrastructure Limited Sunglow Complex Private Limited Subham Capital Private Limited Brij Bhusan Agarwal & Sons HUF Toplight Mercantiles Private Limited Kalpataru Housefin & Trading Private Limited Subham Capital Private Limited Subhlabh Commercials Private Limited Britasia Hydro Power Private Limited Essel Plywood Private Limited Shyam Century Multiprojects Private Limited Shyam Greenfield Developers Private Limited Sindbad Hydro Power Limited S.S. Natural Resources Private Limited Improved Realtors Private Limited Elysian Beautification Private Limited	Platinum Minmet Private Limited Dorite Tracon Private Limited Shyam Solar Appliance Private Limited Narantak Dealcomm Limited Shyam Ferro Alloys Limited Swarnrekha Abasan Private Limited Shyam Emco Infrastructure Limited Sunglow Complex Private Limited Subham Capital Private Limited Brij Bhusan Agarwal & Sons HUF Toplight Mercantiles Private Limited Kalpataru Housefin & Trading Private Limited Subham Capital Private Limited Subhlabh Commercials Private Limited Britasia Hydro Power Private Limited Essel Plywood Private Limited Shyam Century Multiprojects Private Limited Shyam Greenfield Developers Private Limited Sindbad Hydro Power Limited S.S. Natural Resources Private Limited Improved Realtors Private Limited
Key Management Personnel:	Shri Brij Bhushan Agarwal (Managing Director cum vice Chairman) Shri Sanjay Kumar Agarwal (Joint Managing Director) Shri Bhagwan Shaw (Director) Shri Dev Kumar Tiwari (Director) Shri Deepak Kumar Agarwal (Director) Shri Birendra Kumar Jain(Company Secretary) Shri Shree Kumar Dujari (Chief Financial Officer) Mahabir Prasad Agarwal (Director) Shri Venkata Krishna Nageswara Rao Majji (Director) Shri Ashok Kumar Jaiswal (Director) Shri Yudhvir Singh Jain (Director) Kishan Gopal Baldwa (Director) Ajay Choudhury (Director) Kiran Vimal Agarwal (Director) (w.e.f. 05.03.2020) Rajni Mishra (Additional Director) (w.e.f. 12.02.2021)	Shri Brij Bhushan Agarwal (Managing Director cum vice Chairman) Shri Sanjay Kumar Agarwal (Joint Managing Director) Shri Bhagwan Shaw (Director) Shri Dev Kumar Tiwari (Director) Shri Deepak Kumar Agarwal (Director) Shri Birendra Kumar Jain(Company Secretary) Shri Shree Kumar Dujari (Chief Financial Officer) Mahabir Prasad Agarwal (Director) Shri Venkata Krishna Nageswara Rao Majji (Director) Shri Ashok Kumar Jaiswal (Director) Shri Yudhvir Singh Jain (Director) Kishan Gopal Baldwa (Director) Ajay Choudhury (Director) Kiran Vimal Agarwal (Director) (w.e.f. 05.03.2020)

Particulars	31st March 2021	31st March 2020
Relatives to Key Management Personnel:	**Relative's Name - Relation**	**Relative's Name - Relation**
	Mrs. Sumitra Devi Agarwal- Wife of Shri Mahabir Prasad Agarwal	Mrs. Sumitra Devi Agarwal- Wife of Shri Mahabir Prasad
	Mrs. Mittu Agarwal - Wife of Mr. Brij Bhushan Agarwal	Mrs. Mittu Agarwal - Wife of Mr. Brij Bhushan Agarwal
	Mrs. Sangeeta Agarwal - Sister of Mr. Brij Bhusan Agarwal	Mrs. Sangeeta Agarwal - Sister of Mr. Brij Bhusan Agarwal
	Mrs. Anita Jhunjhunwala - Daughter of Mr. Mahabir Prasad Agarwal	Mrs. Anita Jhunjhunwala - Daughter of Mr. Mahabir Prasad
	Mrs. Bina Devi Agarwal - Wife of Mr. Bajrang Lal Agarwal	Mrs. Bina Devi Agarwal - Wife of Mr. Bajrang Lal Agarwal
	Mrs. Pooja Agarwal - Wife of Mr. Sanjay Kumar Agarwal	Mrs. Pooja Agarwal - Wife of Mr. Sanjay Kumar Agarwal
	Mr. Shubham Agarwal - Son of Mr. Brij Bhusan Agarwal	Mr. Shubham Agarwal - Son of Mr. Brij Bhusan Agarwal
	Mr. Bajrang Lal Agarwal - Father of Mr. Sanjay Kumar Agarwal	Mr. Bajrang Lal Agarwal - Father of Mr. Sanjay Kumar Agarwal
	Mr. Mahabir Prasad Agarwal - Father of Mr. Brij Bhushan Agarwal	Mr. Mahabir Prasad Agarwal - Father of Mr. Brij Bhushan
	Mr. Sheetij Agarwal - Son of Mr. Brij bhushan Agarwal	Mr. Sheetij Agarwal - Son of Mr. Brij bhushan Agarwal

Disclosure of Related Party Transactions provides information about the Company's structure. The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year.

Terms and conditions of transactions with related parties:

The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance at the year-end are unsecured and interest free and settlement occurs in cash. For the period ended March 31,2021., the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31,2021.: **NIL**). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(₹ in Crores)

Type of Tranactions	Subsidiary, Associates and Joint Venture		Enterprises over which Key Management Personnel and / or their relatives have significant influence		TOTAL	
	31.03.2021	**31.03.2020**	**31.03.2021**	**31.03.2020**	**31.03.2021**	**31.03.2020**
1. Sale of Goods						
Shyam Sel and Power Limited	122.92	71.59	-	-	122.92	71.59
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019)	4.48	10.11	-	-	4.48	10.11
Shyam Ferro Alloys Limited	-		17.71	23.94	17.71	23.94
2. Commission (Expense)						
Meghana Vyaapar Private Limited	-	1.86	-	-	-	1.86
3. Purchase of Licence						
Shyam Sel and Power Limited	0.15	3.67	-	-	0.15	3.67
4. Sale of Licence						
Shyam Sel and Power Limited	0.21	-	-	-	0.21	-
5.Office Maintenance (Expense)						
Improved Realtors Private Limited	-	-	0.04	-	0.04	-
6. Purchase of Goods						
Shyam Ferro Alloys Limited	-	-	0.84	0.23	0.84	0.23
Shyam Sel and Power Limited	44.88	60.49	-	-	44.88	60.49
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019)	-	0.03	-	-	-	0.03
Shyam Solar Appliance Private Limited	-	-	18.76	2.17	18.76	2.17
7. Dividend Received						
Shyam Sel and Power Limited	44.13	-	-	-	44.13	-

8. Dividend Paid						
Narantak Dealcomm Limited	-	-	10.00	-	10.00	-
Mahabir Prasad Agarwal	-	-	0.00	-	0.00	-
Brij Bhushan Agarwal	-	-	4.31	-	4.31	-
Mittu Agarwal	-	-	0.21	-	0.21	-
Kirandevi Vimal Agrawal	-	-	0.01	-	0.01	-
Sangeeta Agarwal	-	-	0.01	-	0.01	-
Brij Bhusan Agarwal & Sons HUF	-	-	0.42	-	0.42	-
Subham Buildwell Private Limited	-	-	13.43	-	13.43	-
Toplight Mercantiles Private Limited	-	-	0.13	-	0.13	-
Kalpataru Housefin & Trading Private Limited	-	-	4.11	-	4.11	-
Anita Jhunjhunwala	-	-	0.01	-	0.01	-
Bajrang Lal Agarwal	-	-	0.00	-	0.00	-
Sanjay Kumar Agarwal	-	-	0.01	-	0.01	-
Subham Capital Private Limited	-	-	7.77	-	7.77	-
Dorite Tracon Private Limited	-	-	2.81	-	2.81	-
9. Rent Received (Net of TDS)						
Narantak Dealcomm Limited	-	-	0.04	-	0.04	-
Singhbhum Steel & Power Private Limited	0.01	-	-	-	0.01	-
Subham Capital Private Limited	-	-	0.05	-	0.05	-
10. Rent Paid (Net of TDS)						
Toplight Mercantile Private Limited	-	-	0.06		0.06	-
Improved Realtors Private Limited	-	-	0.02	0.06	0.02	0.06
Hrashva Storage & Warehousing Private Limited	0.03	0.03	-	-	0.03	0.03
11. Remuneration to KMP						
Mr. Brij Bhusan Agarwal	-	-	4.13	4.31	4.13	4.31
Mr. Sanjay Kumar Agarwal	-	-	0.83	0.86	0.83	0.86
Mr. Bajrang Lal Agarwal	-	-	0.60	0.60	0.60	0.60
Mr. Mahabir Prasad Agarwal	-	-	0.60	0.60	0.60	0.60
Mr. Bikram Munka	-	-	0.18	0.18	0.18	0.18
Mr. Susmit Changia	-	-	0.17	0.17	0.17	0.17
Mr. Raj Prakash Verma	-	-	0.04	0.04	0.04	0.04
Mr. Dev Kumar Tiwari	-	-	0.18	0.17	0.18	0.17
Mr. Bhagwan Shaw	-	-	0.06	0.06	0.06	0.06
Mr. Birendra Kumar Jain	-	-	0.12	0.13	0.12	0.13
Mr. Shree Kumar Dujari	-	-	0.24	0.25	0.24	0.25
Mr. Deepak Kumar Agarwal	-	-	0.35	0.36	0.35	0.36
12. Purchase of Investments						
Shree Sikhar Iron & Steel Private Limited	-	0.01	-	-	-	0.01
Dorite Tracon Pvt Ltd	-	-	-	3.14	-	3.14
Kolhan Complex Private Limited	-	0.00	-	-	-	0.00
Meghana Vyapaar Private Limited	-	0.02	-	-	-	0.02
Narantak Dealcomm Limited	-	-	-	3.66	-	3.66
Shyam Solar Appliance Private Limited	-	-	-	0.00	-	0.00
Singhbhum Steel & Power Private Limited	-	0.01	-	-	-	0.01
Shyam Greenfield Developers Private Limited	-	-	-	0.01	-	0.01
Damodar Aluminium Private Limited	-	0.00	-	-	-	0.00
Subham Capital Private Limited	-	-	-	0.08	-	0.08
Kalinga Infra Projects Limited	-	0.05	-	-	-	0.05

13. Sale of Investments

Nirjhar Commodities Private Limited	-	0.00	-	-	-	0.00
Shyam Sel and Power Limited	-	0.00	-	-	-	0.00

14. Advances Given/Refunded

Shyam Sel and Power Limited	498.54	89.82	-	-	498.54	89.82
Kalinga Infra Projects Limited (w.e.f 19.8.19)	18.39	5.33	-	-	18.39	5.33
Damodar Aluminum Private Limited	0.00	4.04	-	-	0.00	4.04
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019)	43.94	61.86	-	-	43.94	61.86
Shyam Ores (Jharkhand) Private Limited	0.12	65.07	-	-	0.12	65.07
Britasia Hydro Power Private Limited	-	-	0.02	-	0.02	-
Shyam Century Multiprojects Private Limited	-	-	0.00	0.00	0.00	0.00
Dorite Tracon Private Limited	-	-	34.17	-	34.17	-
Meadow Housing Private Limited	0.00	-	-	-	0.00	-
Renaissance Hydro Power Private Limited	0.00	-	-	-	0.00	-
Kalpataru House Fin & Trading Private Limited	-	-	2.00	2.54	2.00	2.54
Essel Plywood Private Limited	-	-	0.00	-	0.00	-
Shyam Energy Limited	2.63	2.67	-	-	2.63	2.67
Kolhan Complex Private Limited	0.37	-	-	-	0.37	-
Meghana Vyapaar Private Limited	17.83	11.06	-	-	17.83	11.06
Narantak Dealcomm Limited	-	-	78.23	-	78.23	-
Nirjhar commodities Private Limited	0.00	-	-	-	0.00	-
S S Natural Resources Private Limited	-	-	0.41	-	0.41	-
Shyam Ferro Alloys Limited	-	-	21.12	0.01	21.12	0.01
Whispering Developers Private Limited	-	-	0.00	-	0.00	-
Shyam Solar Appliance Private Limited	-	-	20.27	-	20.27	-
Singhbhum Steel & Power Private Limited	0.02	-	-	-	0.02	-
Sindbad Hydro Power Private Limited	-	-	0.00	-	0.00	-
Subham Buildwell Private Limited	-	-	32.68	-	32.68	-
Subham Capital Private Limited	-	-	73.89	-	73.89	-
Suhag Overseas Trading Private Limited	-	-	1.05	-	1.05	-
Taurus Estate Private Limited	-	0.00	0.00	-	0.00	0.00
Toplight Mercantile Private Limited	-	-	8.60	-	8.60	-
Elysian Beautification Private Limited	-	-	0.03	-	0.03	-

15. Advances Received back/taken						
Shyam Sel and Power Limited	530.63	79.64	-	-	530.63	79.64
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019).	136.71	1.99	-	-	136.71	1.99
Britasia Hydro Power Private Limited	-	-	0.02	0.00	0.02	0.00
Dorite Tracon Private Limited	-	-	33.97	-	33.97	-
Damodar Aluminum Private Limited	0.00	4.03	-	-	0.00	4.03
Essel Plywood Private Limited	-	-	0.00	22.13	0.00	22.13
Kalinga Energy & Power Limited	-	-	-	1.99	-	1.99
Kalinga Infra-Projects Limited	13.80	4.57	-	-	13.80	4.57
Kalpataru HouseFin & Trading Private Limited	-	-	2.00	2.54	2.00	2.54
Kolhan Complex Private Limited	-	-	0.37	-	0.37	-
Singhbhum Steel & Power Private Limited	0.02	-	-	-	0.02	-
Meghana Vyapaar Private Limited	15.95	11.05	-	-	15.95	11.05
Narantak Dealcomm Limited	-	-	77.44	-	77.44	-
Nirjhar commodities Private Limited	0.00	-	-	-	0.00	-
Shyam Energy Limited	2.60	2.65	-	-	2.60	2.65
Renaissance Hydro Power Private Limited	0.00	-	-	-	0.00	-
S S Natural Resources Private Limited	-	-	0.41	230.76	0.41	230.76
Shyam Ores (Jharkhand) Private Limited	-	49.03	8.68	-	8.68	49.03
Shyam Century Multi Projects Private Limited	-	-	0.00	-	0.00	-
Shyam Ferro Alloys Limited	-	-	35.24	-	35.24	-
Shyam Greenfield Developer Private Limited	-	-	0.00	0.01	0.00	0.01
Shyam Solar Appliance Private Limited	-	-	1.00	-	1.00	-
Sindbad Hydro Power Private Limited	-	-	0.00	0.00	0.00	0.00
Subham Buildwell Private Limited	-	-	32.65	-	32.65	-
Subham Capital Private Limited	-	-	73.94	-	73.94	-
Suhag Overseas Trading Private Limited	-	-	1.05	1.11	1.05	1.11
Taurus Estate Private Limited	0.00	-	-	-	0.00	-
Toplight Mercantile Private Limited	-	-	8.53	-	8.53	-
Whispering Developers Private Limited	-	-	0.00	-	0.00	-
Elysian Beautification Private Limited	-	-	0.01	-	0.01	-
16. Loans Received						
Narantak Dealcomm Limited	-	-	49.11	75.60	49.11	75.60
Dorite Tracon Private Limited	-	-	9.13	36.19	9.13	36.19
Meghana Vyaapar Private Limited	-	-	6.00	-	6.00	-
Subham Capital Private Limited	-	-	11.00	64.50	11.00	64.50
Shyam Emco Infrastructure Limited	-	-	-	3.35	-	3.35
17. Loans Repaid						
Narantak Dealcomm Limited	-	-	49.93	75.60	49.93	75.60
Meghana Vyaapar Private Limited	-	-	6.02	-	6.02	-
Subham Capital Private Limited	-	-	11.31	64.50	11.31	64.50
Dorite Tracon Private Limited	-	-	9.40	36.19	9.40	36.19
Shyam Emco Infrastructure Limited	-	-	-	3.35	-	3.35

18. Loans Given						
Elysian Beautification Private Limited	-	-	2.50	-	2.50	-
19. Interest on Loan Taken						
Narantak Dealcomm Limited	-	-	1.73	-	1.73	-
Meghana Vyaapar Private Limited	-	-	0.27	-	0.27	-
Subham Capital Private Limited	-	-	0.41	-	0.41	-
Subham Buildwell Private Limited	-	-	0.03	-	0.03	-
Toplight Mercantile Private Limited	-	-	(0.09)	-	(0.09)	-
Dorite Tracon Private Limited	-	-	0.48	-	0.48	-
20. Balances outstanding on account of Receivables/(Payable)						
Damodar Aluminium Private Limited	0.10	0.10	-	-	0.10	0.10
Shyam Sel and Power Limited	-	(46.00)	-	-	-	(46.00)
Singhbhum Steel & Power Private Limited	-	-	0.11	0.11	0.11	0.11
Kalinga Infra-Projects Limited	-	-	1.39	-	1.39	-
Shyam Ores (Jharkhand) Private Limited (Upto 18.06.2020)	-	16.49	7.93	-	7.93	16.49
S S Natural Resources Private Limited	-	-	-	5.00	-	5.00
Hrashva Storage and Warehousing Private Limited (w.e.f. 11.04.2019)	(0.00)	89.03	-	-	(0.00)	89.03
Meadow Housing Private Limited	0.29	0.29	-	-	0.29	0.29
Shyam Ferro Alloys Limited	-	-	2.40	(20.35)	2.40	(20.35)
Shyam Energy Limited	0.05	0.02	-	-	0.05	0.02
Shyam Solar Appliances Private Limited	-	-	0.51	-	0.51	-
Elysian Beautification Private Limited	-	-	0.27	-	0.27	-
Narantak Dealcomm Limited	-	-	(0.01)	(0.01)	(0.01)	(0.01)
Meghana Vyaapar Private Limited	-	(1.65)	-	-	-	(1.65)

* 0.00 Figure represents value less than Rs. 1 Lakh.

Note 48 - Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(₹ in Crores)

Particulars	**31st March 2021**	**31st March 2020**
Borrowings (Note - 19, 24 and 26)	789.43	1,107.96
Trade payables (Note-25)	367.06	582.78
Less: Cash and cash equivalents (Note-11)	163.84	29.70
Less: Current investments (Note - 9)	215.24	71.59
Net debt	**777.41**	**1,589.45**
Equity	233.61	233.61
Other Equity	3,400.44	2,592.84
	3,634.05	**2,826.45**
Capital and net debt	467.46	177.83
Gearing ratio	17.62%	35.99%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31,2021. and years ended March 31,2020.

Note 49 - Statutory Auditors' remuneration (excluding goods and service tax) and expenses :

(₹ in Crores)

Particulars	31st March 2021	31st March 2020
Statutory Audit Fees	0.26	0.25
Tax Audit Fees	0.05	0.02
Fees for Other Services	0.04	0.04
Total	**0.35**	**0.31**

Note 50 - Additional Information

i) Expenditure in Foreign Currency (on accrual basis)

(₹ in Crores)

Particulars	31st March 2021	31st March 2020
Travelling expenses	0.00	0.15
Demurrage Charges on Import of Raw Materials	2.98	4.33
Raw Materials	317.42	277.54
Interest on Loan	2.26	1.16

ii) Earnings in Foreign Currency (on accrual basis)

`

Particulars	31st March 2021	31st March 2020
Exports (F.O.B. value)	806.48	4,211.14

Note 51 - The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.94% and the reported tax expense in profit or loss are as follows :-

Effective Tax Reconciliation

(₹ in Crores)

	31st March 2021	31st March 2020
Accounting profit before income tax	**1,054.96**	**295.37**
Enacted tax rate in India	34.94%	34.94%
Computed expected tax expenses	368.65	103.21
Tax holidays	(247.05)	(158.30)
Income exempted from tax	(44.13)	(0.06)
Other Adjustments	133.93	10.28
Income Tax recognised in Profit and Loss account	**211.40**	**(44.87)**

Note 52 - Details of CSR expenditure:

Expenditure towards Corporate Social Responsibility as per Companies Act, 2013 read with Rules and Regulations thereof is treated as an appropriation of profit.

For The Year Ended 31st March 2021

(₹ in Crores)

Particulars	Amount	In cash	Yet to be paid in cash	Total
Gross amount required to be spent by the Company during the period		-		10.78
Amount Spent during the year towards activities specified	13.96	13.96	-	13.96
i)Construction/ acquisition of any assets	-	-	-	-
ii)On purpose other than (i) above	13.96	13.96	-	13.96

For The Year Ended 31st March 2020

(₹ in Crores)

Particulars	Amount	In cash	Yet to be paid in cash	Total
Gross amount required to be spent by the Company during the year		-		8.94
Amount Spent during the year towards activities specified	6.67	6.67	-	6.67
i)Construction/ acquisition of any assets	-	-	-	-
ii)On purpose other than (i) above	6.67	6.67	-	6.67

Note 53 - Value of imports calculated on CIF Basis

(₹ in Crores)

Particulars	31st March 2021	31st March 2020
Raw Materials	317.42	520.24

Note 54 - Segment Reporting

As per Ind AS 108 "operating segments" , specified under section 133 of the Companies Act, 2013, the Company is predominantly engaged in a single reportable segment of Iron and Steel.

Note 55 - Long Term and Derivative Contract

The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Note 56 - Investor Education and Protection Fund

There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

Note 57 - Figures of previous years have been regrouped / rearranged / rectified wherever necessary to make them comparable with the current periods figures

58. List of Subsidiaries, Associates & Joint Ventures included in the Consolidated Financial Statements are as under:

Name of Companies	Country of Incorporation	31st March 2021	31st March 2020
Subsidiary			
Shyam Sel and Power Limited	India	100.00%	100.00%
Damodar Aluminium Private Limited	India	54.15%	54.15%
Singhbhum Steel & Power Private Limited	India	91.45%	91.45%
Shyam Ores (Jharkand) Private Limited	India	0.00%	100.00%
Renaissance Hydro Power Private Limited	India	100.00%	100.00%
Kalinga Infra Projects Limited	India	90.00%	90.00%
Step Down Subsidiary			
Whispering Developers Private Limited	India	67.57%	67.57%
Taurus Estates Private Limited	India	89.29%	89.29%
Shyam Energy Limited	India	86.46%	86.46%
Hrashva Storage and Warehousing Private Limited	India	100.00%	100.00%
Meadows Housing Private Limited	India	99.05%	99.05%
Shree Sikhar Iron & Steel Pvt Ltd	India	100.00%	100.00%
Nirjhar Commodities Pvt Ltd	India	58.00%	58.00%
Associate			
Meghana Vyapaar Private Limited	India	33.51%	33.51%
Kecons Tradecare Private Limited	India	47.32%	47.32%
Kolhan Complex Private Limited	India	49.88%	49.88%
Joint Venture			
MJSJ Coal Limited	India	9%	9%
Kalinga Energy and Power Limited	India	50%	50%

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2021 **(₹ in Crores)**

Name of the entity in the group	31st March 2021							
	Net Assets i.e. total assets minus Liabilities		Share in profit and loss		Share in other comprehensive		Share in total comprehensive income	
	As % of Consolidated Net Assets	(Amount in Rs. Crores)	As % of Consolidated Profit & Loss	(Amount in Rs. Crores)	As % of Consolidated Other Comprehensive Income	(Amount in Rs. Crores)	As % of Consolidated Total Comprehensive Income	(Amount in Rs. Crores)
Parent								
Shyam Metalics and Energy Limited	37.84%	1,376.68	49.01%	438.88	68.04%	3.50	49.11%	442.38
Subsidiaries								
Shyam Sel & power Limited	60.03%	2,184.05	49.74%	445.43	32%	1.64	49.64%	447.07
Damodar Aluminium Private Limited	0.06%	2.11	0.00%	(0.00)	-	-	0.00%	(0.00)
Singhbhum Steel & Power Private Limited	0.07%	2.63	0.00%	(0.01)	-	-	0.00%	(0.01)
Rennaisance Hydropower Private Limited	0.00%	(0.02)	0.00%	(0.02)	-	-	0.00%	(0.02)
Kalinga Infra Projects Limited	0.09%	3.14	0.31%	2.76	-	-	0.31%	2.76
		-		-	-	-		
Step down subsidiaries		-		-	-	-		
Whispering Developers Private Limited	0.02%	0.72	0.00%	-	-	-	0.00%	-
Taurus Estates Private Limited	0.02%	0.82	0.00%	-	-	-	0.00%	-
Shyam Energy Limited	0.52%	19.08	0.00%	(0.04)	-	-	0.00%	(0.04)
Meadow Housing Private Limited	0.03%	1.02	0.00%	-	-	-	0.00%	-
Hrashva Storage and Warehousing Private Limited	0.06%	2.18	0.06%	0.52	-	-	0.06%	0.52
Shree Sikhar Iron & Steel Private Limited	0.11%	3.96	0.00%	(0.03)	-	-	0.00%	(0.03)
Nirjhar Commodities Private Limited	0.00%	(0.16)	0.00%	(0.01)	-	-	0.00%	(0.01)
					-	-		
Non controlling Interest in all Subsidiaries	0.12%	4.35		0.20	-	-	0.02%	0.20
Associates					-	-		
Kecons Tradecare Private Limited	0.58%	21.13	0.02%	0.21	-	-	0.02%	0.21
Meghana Vyapar Private Limited	0.38%	13.68	0.86%	7.71	-	-	0.86%	7.71
Kolhan Complex Private Limited	0.11%	3.82	0.00%	-	-	-	0.00%	-
Joint Venture							0.00%	-
Kalinga Energy & power Limited	-0.02%	(0.78)	0.00%	(0.02)	-	-	0.00%	(0.02)
TOTAL	**100%**	**3,638.39**	**100%**	**895.57**	**100%**	**5.15**	**100%**	**900.71**

As per our report of even date attached.

For S K Agrawal and Co Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 306033E

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Deepak Kumar Agarwal
Wholetime Director
DIN 00560010

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : 8th July 2021

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
A8305

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLM, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them in our Company is set forth below.

Sr. No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital*^#
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
Total		[●]

**Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.*

^ Based on beneficiary position as on [●]

 # The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

Brij Bhushan Agarwal
Vice Chairman and Managing Director

Date: January 2, 2024
Place: Kolkata

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under this Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Brij Bhushan Agarwal
Vice Chairman and Managing Director

Date: January 2, 2024
Place: Kolkata

I am severally authorized by the QIP Committee 2023-24 of the Company, *vide* its resolution dated January 2, 2024 read along with the resolution of the Board of Directors dated July 27, 2023, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Brij Bhushan Agarwal
Vice Chairman and Managing Director

Date: January 2, 2024
Place: Kolkata

SHYAM METALICS AND ENERGY LIMITED

Registered Office
Trinity Tower, 7th Floor,
83,Topsia Road,
Kolkata – 700046,
West Bengal, India
Telephone: +91 33 4016 4001

Corporate Office
Viswakarma Building,
86C Topsia Road, 1st floor,
Kolkata – 700046,
West Bengal, India
Telephone: +91 33 4011 0300

Email: compliance@shyamgroup.com
Website: www.shyammetalics.com

Company Secretary and Compliance Officer:
Birendra Kumar Jain
"SS Chambers", 5 C.R. Avenue,
Kolkata – 700072,
West Bengal, India
Telephone: + 91 33 4011 1000
Email: bkjain@shyamgroup.com

BOOK RUNNING LEAD MANAGER

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400025
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

MSKA & Associates, Chartered Accountants
Suit No. 606-608, The Chambers,
1865, Rajdanga Main Road, Kasba,
Kolkata – 700107,
West Bengal, India

INDIAN LEGAL COUNSEL TO OUR COMPANY

J. Sagar Associates
Vakils House,
18 Sprott Road, Ballard Estate
Mumbai - 400 001
Maharashtra, India

INDIAN LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

M/s. Crawford Bayley & Co.
State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai 400 023
Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

Dentons US LLP
2000 McKinney Avenue,
Suit 1900,
Dallas, Texas 75201-1858
Telephone: +1 214 259 0952

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is for reference and for the purposes of compliance with applicable law only, and no Bids in this Issue should be made through the sample Application Form. The Company, in consultation with the BRLM, will identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in this Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form, and not on the basis of the indicative format below.)

<table>
<tr><td>SHYAM METALICS AND ENERGY LIMITED</td><td>APPLICATION FORM
Name of the Bidder:</td></tr>
<tr><td>Shyam Metalics and Energy Limited ("Company") was originally incorporated as Shyam DRI Power Limited on December 10, 2002 at Kolkata, West Bengal, India as a public limited company under the Companies Act, 1956 and received the certificate for commencement of business from the Registrar of Companies, West Bengal at Kolkata ("RoC") on December 11, 2002. Subsequently, the name of our Company was changed to Shyam Metalics and Energy Limited vide a special resolution passed by our Shareholders on November 23, 2009, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 5, 2010.

Registered Office: Trinity Tower, 7th Floor, 83, Topsia Road, Kolkata – 700046, West Bengal, India;
Corporate Office: Viswakarma Building, 86C Topsia Road, 1st floor, Kolkata – 700046, West Bengal, India;
CIN: L40101WB2002PLC095491; Website: www.shyammetalics.com;
Telephone: +91 33 4016 4001;
Email: compliance@shyamgroup.com</td><td>Form. No.:

Date:</td></tr>
</table>

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] CRORE IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY SHYAM METALICS AND ENERGY LIMITED (THE "COMPANY" OR THE "ISSUER", AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ [●] PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE, AS APPROVED BY ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" in the accompanying preliminary placement document dated January 2, 2024 (the "PPD").

ELIGIBLE NON-RESIDENT QIBS CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH FEMA RULES. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
SHYAM METALICS AND ENERGY LIMITED
Trinity Tower, 7th Floor, 83,
Topsia Road, Kolkata – 700046,
West Bengal, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company, and subject to the terms and conditions mentioned in the other sections of the PPD and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares at the terms and price indicated below. We confirm that we are an Eligible QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an eligible FPI participating through Schedule II of the FEMA Rules. We are not a promoter (as defined in SEBI ICDR Regulations) of the Company, or any person related to the Promoters, directly or indirectly and the Bid does not directly or indirectly represent the Promoters or members of the Promoter Group, or persons or entities related to the Promoters. Further, we confirm that we do not have any right under the shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters, veto rights or right to appoint any nominee director on the board of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations and other applicable laws. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. We confirm that we are not an FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

STATUS (Insert '✓' for applicable category)			
FI	Scheduled Commercial Banks and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund**
SI-NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others ____________ (Please specify)
Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the PPD. **Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.* *** Sponsor and Manager should be Indian owned and controlled.*			

We confirm that the Bid size / aggregate number of Equity Shares applied for by us, and which may be Allotted to us thereon will not exceed the relevant regulatory or approved limits under applicable laws. We confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us, if applicable, in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (such FPIs, "**Eligible FPIs**"), have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares bid for under each such scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We note that the Company or any duly authorized committee thereof, is entitled, in consultation with ICICI Securities Limited, the book running lead manager in relation to the Issue (the "**BRLM**") in its absolute discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be Allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for, has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to or on Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name, and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form. We acknowledge and agree that we have not/shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us.

We further understand, agree and consent that: (i) our names, address, PAN, phone number, bank account details, email-id, and the number of Equity Shares Allotted, along with other relevant information as may be required will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware that our names will be included in the Placement Document as "proposed allottees", if applicable, along with the number of Equity Shares proposed to be Allotted to us, and the percentage of our post-Issue shareholding in the Company pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PsAS-3 filed by the Company with the Registrar of Companies, West Bengal at Kolkata as required in terms of the PAS Rules. We are also aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, the Company shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of National Stock Exchange of India Limited and the BSE Limited (together referred to as the **"Stock Exchanges"**), and we consent to such disclosure. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and restriction on transferability. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and restriction on transferability, as may be applicable to us.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections *"Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* in the PPD are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment and in compliance with the restrictions included in the section "*Purchaser Representations and Transfer Restrictions*" in the PPD; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company in consultation with the BRLM and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) we, together with other persons that belong to our same group or are under common control, have not applied for more than 50.00% of the Issue and the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50.00% of the Issue. For the purposes of this representation: the expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN, upon its issuance, and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.**

<table>
<tr><th colspan="4">BIDDER DETAILS (In Block Letters)</th></tr>
<tr><td>**NAME OF BIDDER***</td><td colspan="3"></td></tr>
<tr><td>**NATIONALITY**</td><td colspan="3"></td></tr>
<tr><td>**REGISTERED ADDRESS**</td><td colspan="3"></td></tr>
<tr><td>**CITY AND CODE**</td><td colspan="3"></td></tr>
<tr><td>**COUNTRY**</td><td colspan="3"></td></tr>
<tr><td>**MOBILE NO.**</td><td colspan="3"></td></tr>
<tr><td>**PHONE NO.**</td><td></td><td>**FAX NO.**</td><td></td></tr>
<tr><td>**EMAIL ID**</td><td colspan="3"></td></tr>
<tr><td>**FOR ELIGIBLE FPIs****</td><td colspan="3">SEBI FPI REGISTRATION NO. ____________________</td></tr>
<tr><td>**FOR MF**</td><td colspan="3">SEBI MF REGISTRATION NO.</td></tr>
<tr><td>**FOR AIFs*****</td><td colspan="3">SEBI AIF REGISTRATION NO.</td></tr>
<tr><td>**FOR VCFs*****</td><td colspan="3">SEBI VCF REGISTRATION NO.</td></tr>
<tr><td>**FOR SI-NBFC**</td><td colspan="3">RBI REGISTRATION DETAILS</td></tr>
<tr><td>**FOR INSURANCE COMPANIES**</td><td colspan="3">IRDAI REGISTRATION DETAILS ____________________</td></tr>
</table>

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLM.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**********Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLM has relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS		
Depository Name	National Securities Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank account details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3 p.m. (IST), [●], being the Issue Closing Date

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	SHYAM METALICS AND ENERGY LIMITED - QIP ESCROW ACCOUNT	**Account Type**	Current Account
Name of Bank	ICICI Bank Limited	**Address of the Branch of the Bank**	163, 5th Floor, H.T.Parekh Marg, Backbay Reclamation, Churchgate, Mumbai- 400020
Account Number	000405146763	**IFSC Code**	ICIC0000004
Legal Entity Identifier Code	R7RX8ER1V4666J8D1I38	**Email and Telephone Number**	**Group id**:-ipocmg@icicibank.com thakur.bharti@icicibank.com sujit.lingam@icicibank.com **Contact no:-** Bharti Thakur:-8976032689 Sujit Lingam:- 7977712904 Anamika Chakraborty:9137854640

You are responsible for the accuracy of the bank account details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by you. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

The Bid Amount should be transferred pursuant to the Application Form only by way of electronic fund transfers, towards the Escrow Account**.** Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Issue Period i.e. prior to or on the Issue Closing Date. All payments must be made in favor of "*SHYAM METALICS AND ENERGY LIMITED - QIP ESCROW ACCOUNT*". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Email:			

OTHER DETAILS	
PAN*	
Legal Entity Identifier Code	
Date of Application	

ENCLOSURES TO BE SUBMITTED*
Copy of the PAN Card or PAN allotment letter** FIRC Copy of the SEBI registration certificate as a Mutual

OTHER DETAILS	
Signature of Authorized Signatory (may be signed either physically or digitally)	

ENCLOSURES TO BE SUBMITTED*
Fund Copy of the SEBI registration certificate as an Eligible FPI Copy of the SEBI registration certificate as an AIF Copy of the SEBI registration certificate as a VCF Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank Copy of notification as a public financial institution Copy of the IRDAI registration certificate Certified true copy of power of attorney Others, please specify________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*
***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*
Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and Placement Document.
Note 2: The Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the BRLM.
Note 3: The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLM, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)