



**Shyam Metals and Energy Limited**  
Annual Report 2022-23

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### Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information.



# 5 key messages of this Annual Report

1 The Indian government increased the infrastructure outlay by 3.3% of GDP across the Union Budgets of two years ending FY 2023-24

2 India continues to remain one of the fastest growing economies, the global economic slowdown notwithstanding

3 Shyam Metalics is expected to capitalize through a combination of progressive integration, unprecedented expansion programmes and timely acquisitions

4 Despite the expansion, the Company is likely to remain liquid, profitable and under-borrowed

5 The Company is attractively placed to strengthen competitiveness, sustainability and stakeholder value



Part 1

# What we are and what we do

This is what we are

# 'Ore to metal plus supports.'

This one line encapsulates the business of Shyam Metals and Energy Limited.

The Company is more than just a prominent iron and steel products manufacturer in India.

It is a conglomerate that has prudently invested in a value chain, infrastructure and captive energy on the manufacturing side, in addition to a retail and export presence on the sales side.

The result is that the Company has emerged with a differentiated business model, translating into long-term business sustainability.



## Vision

Founded with the vision of providing strength to the infrastructure and construction industry, Shyam Metals and Energy Limited through an integrated system of tools, techniques and training constantly strives to achieve and maintain the highest quality parameters.



## Mission

The mission of our Company is to empower the dominance of the organisation in the local market, thereby expanding and developing a strong presence across the country.



## Board of Directors

The Company's Board comprises of 10 Directors as on 31st March, 2023 including five Independent Directors, enhancing the role of independent and unbiased perspectives. The Board is comprised of six committees.



## Promoters

Shyam Metalics Group was founded by first-generation entrepreneur Mr. Mahabir Prasad Agarwal (presently Chairman). The business is stewarded by Vice Chairman and Managing Director Mr. Brij Bhushan Agarwal and Joint Managing Director Mr. Sanjay Kumar Agarwal, assisted by competent professionals.



## Background

Shyam Metalics Group was established in 1981 with the express purpose to trade iron and steel products. Between 2002 and 2006, the Company established a manufacturing facility in Odisha (changing its name from Shyam DRI & Power Limited to Shyam Metalics and Energy Limited). Shyam Metalics and Energy Limited operates across the steel value chain - pellets to finished rolled products.



## Geographic presence

Shyam Metalics Group comprises manufacturing facilities in Sambalpur, Odisha, and other facilities in Jamuria, Mangalpur and Pakuria in West Bengal. The Company's registered and corporate offices are in Kolkata. The Company's products are marketed across 32 Indian States (Including Union Territories) and 17 countries. The Company enjoys a significant market share in Eastern India in addition to a strong presence in Central, Northern and Western India.



## Portfolio

Shyam Metalics Group offers a complete range of long products, flat products and ferro alloys. The range comprises the following products: iron pellets, sponge iron, steel billets, TMT, structural products, wire rods and ferro alloys. The breadth and depth of this range makes it possible for the Company to address every market upturn and customer need. The Company generated 48% of its revenues from long products, 38% from intermediaries and 14% from ferro alloys.



## Brand

Shyam Metalics Group has demonstrated its capacity to build prominent retail brands. The Company's SEL Tiger TMT bar brand is prominent in Eastern India, riding the presence of Salman Khan, the prominent Indian actor, as brand ambassador. The brand accounted for 48% of the Company's revenues in FY 2023. The brand is synonymous with long-term growth, ethical conduct and enhanced stakeholder value.



## Distribution

The Company's products are marketed through an extensive network of 2,060 dealers and distributors (as on 31st March, 2023). These trade partners have helped the Company deliver products across cities, towns and rural India, resulting in an anytime availability.



## Talent

The Company comprised 14635 employees (permanent and contractual) as on 31st March, 2023. The Company retained 88% employees during the year under review. The average age of employee was 36 years. The employees comprised a range of competencies (metallurgical, finance, project management, marketing, brand building, distribution, technology, human resources and accounting, among others).



## Listing

The Company's shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Company's market capitalisation was ₹6,704.80 Crore on NSE and ₹6,725.20 Crore on BSE as on 31st March, 2023.



## Certifications and rating

The Company's manufacturing units were certified with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications. This enhanced operational discipline and stakeholder confidence. The Company was rated AA Stable by CRISIL, possibly the highest rating in India's secondary steel sector.

# Awards and recognition



**Great Place To Work Certified**

Shyam Metals has been awarded the Great Place To Work certification.



**Best Employer Award 2023**

Shyam Metals has been awarded as the 'Best Employer' for Employee Well-Being Category at the World HRD Congress awards for the year 2023.

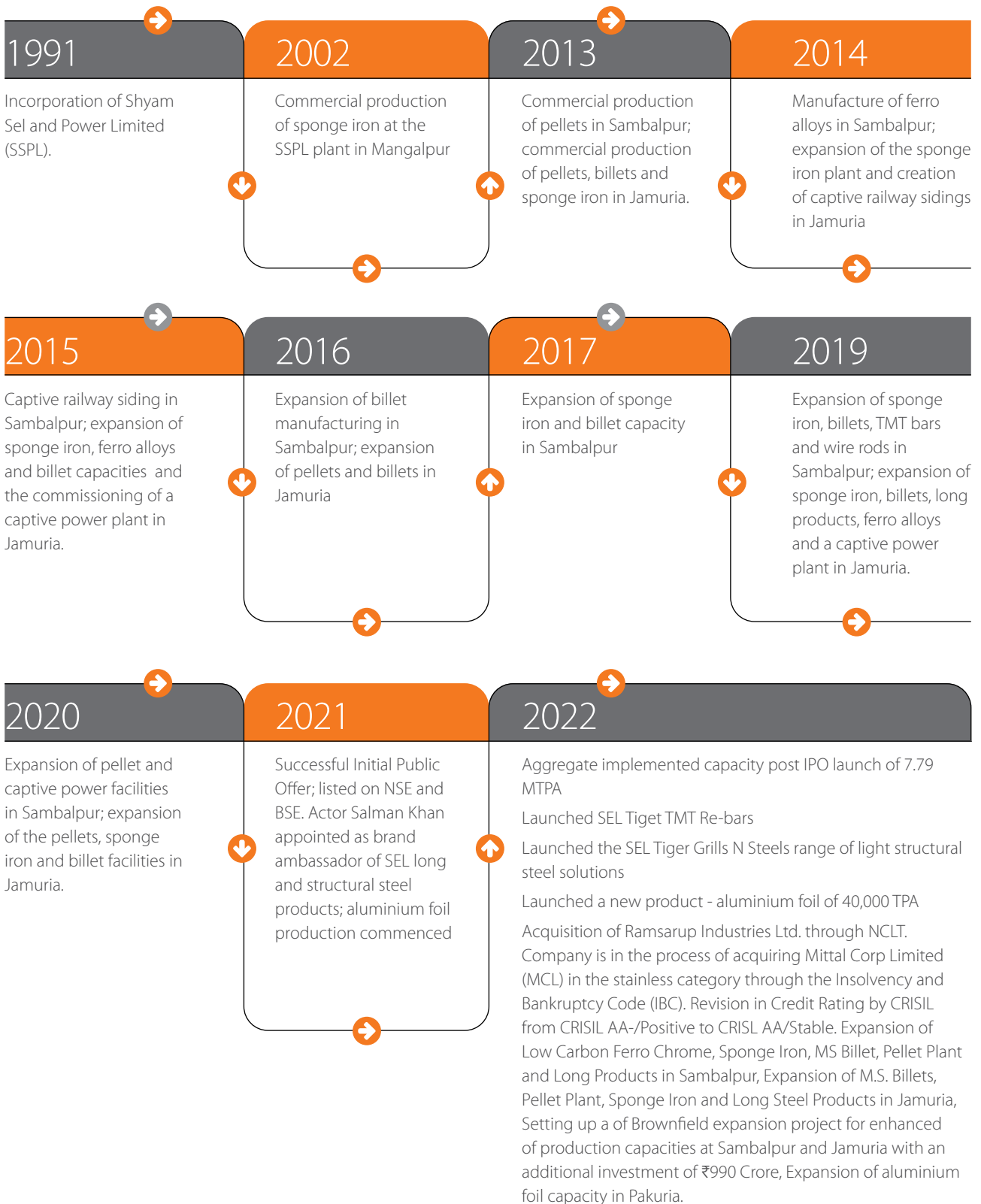


**Pride Of India Award**

Shyam Metals scores a victory 'Pride Of India Award' for excellence in Human Resources Development Practices and Corporate Social Responsibility from SAIARD.



# How we have grown across the decades



# Shyam Metals: This is how we have grown consistently across the years

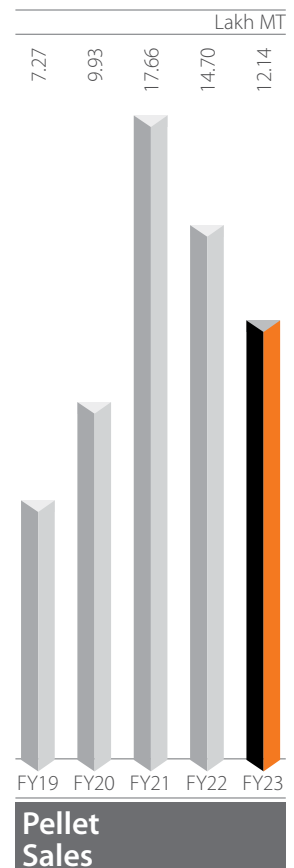
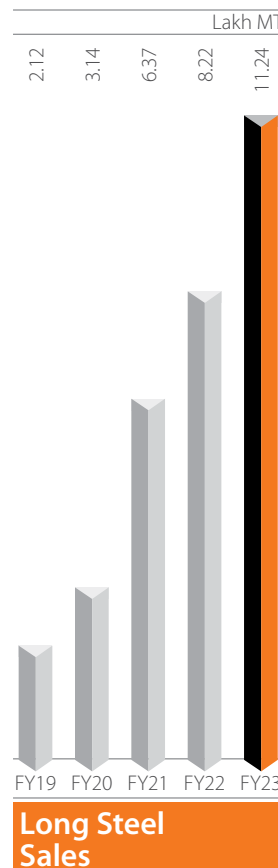
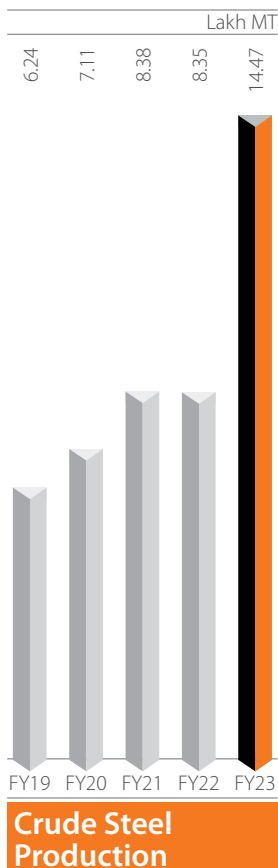
*Consistent re-investment*

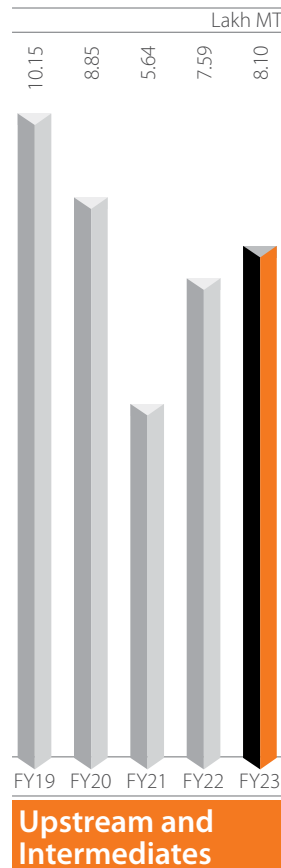
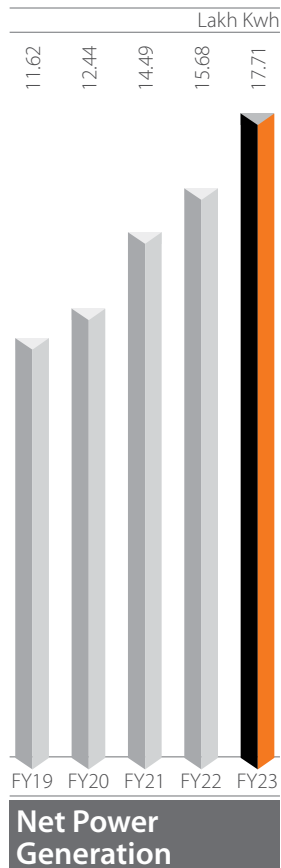
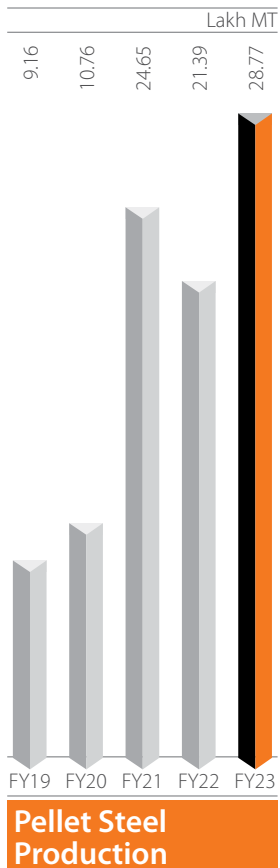
*Capacity growth generating superior economies*

*Capacity growth servicing downstream needs on time and in full*

*Capacity growth across a range of products, providing a solution*

*Capacity growth translating into year-on-year production / sales*





# Shyam Metals: This is how we have delivered stronger financials

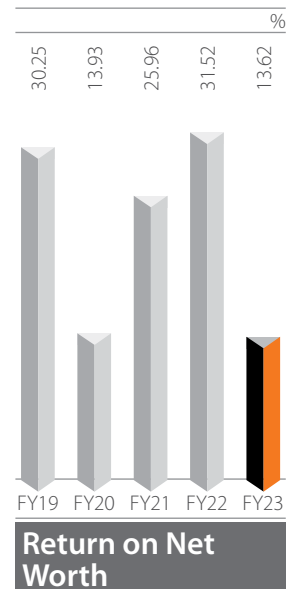
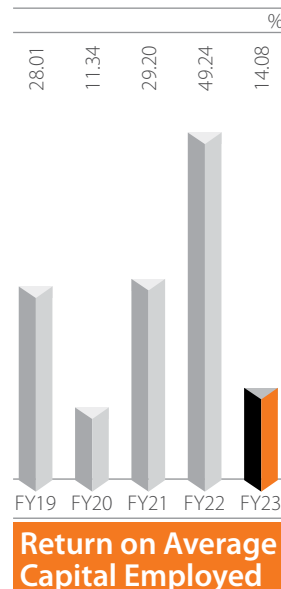
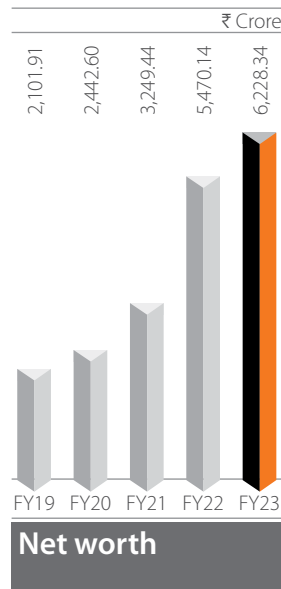
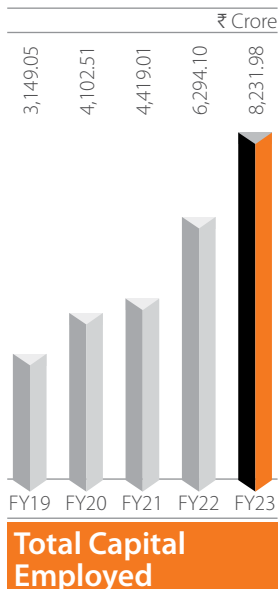
*Consistent production and sales growth*

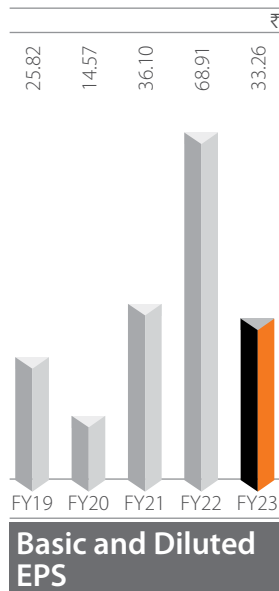
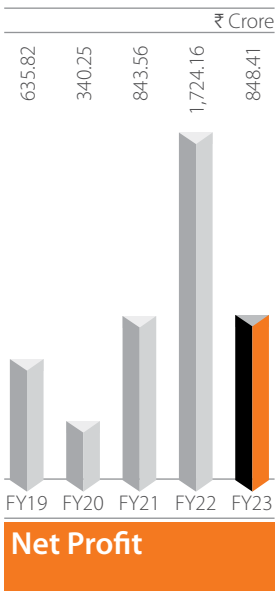
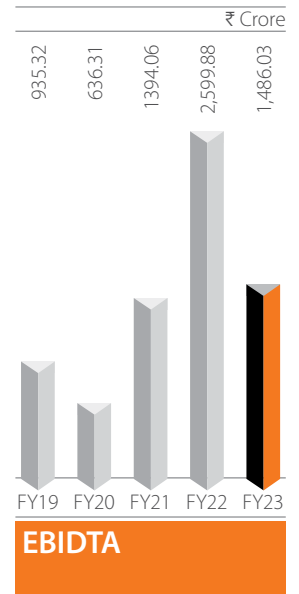
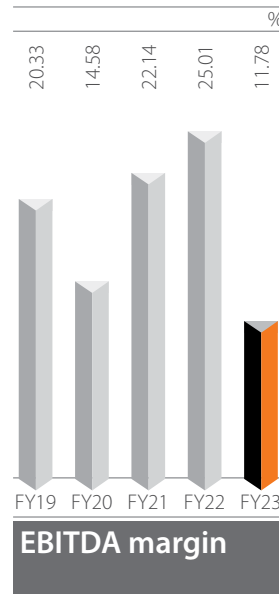
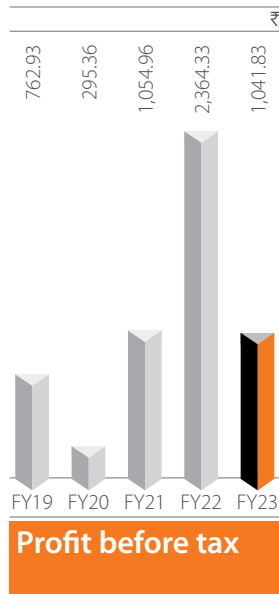
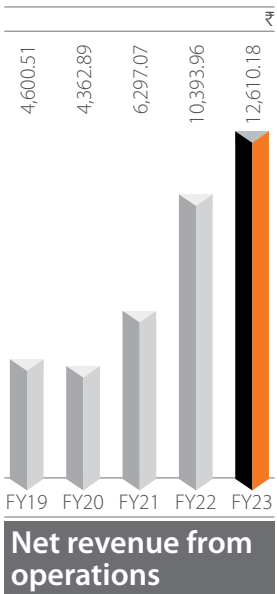
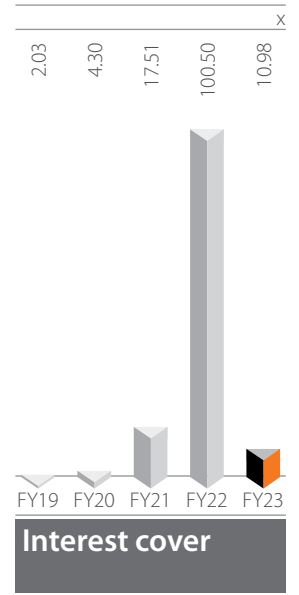
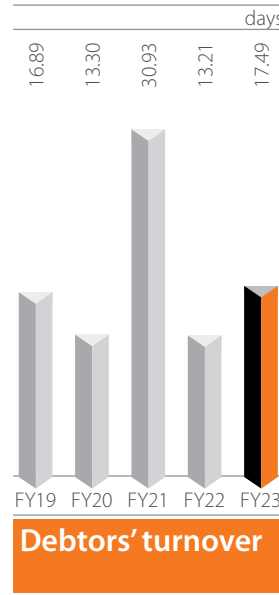
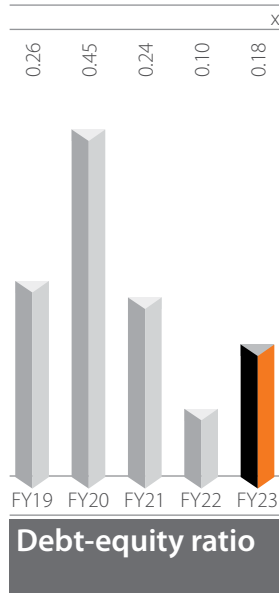
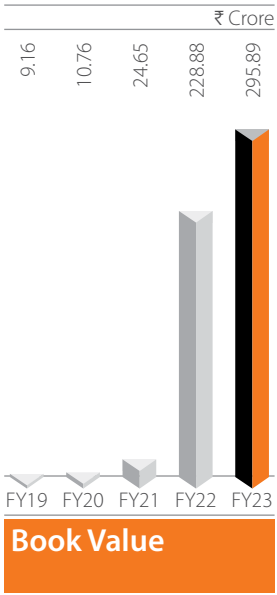
*Larger capacity across which to cover fixed costs*

*Investments generated largely from net worth*

*Relatively under-borrowed Balance Sheet*

*Financials marked by net cash position and high interest cover*





Part 2

Perspectives of  
the management  
on our  
performance and  
business model

# The big picture of our business

India is one of the most exciting countries in the world.

The country is expected to emerge as the third-largest economy by the end of this decade.

India's growth will be driven by its unprecedented infrastructure expansion, policies directed to emerge as the factory of the world, rising incomes and growing aspirations.

A growing India will be built around more steel.

We believe that the next few years will correct a long-standing under-consumption of steel in India and graduate per capita consumption towards the global average.

As India needs more steel, it will need companies that can produce more, produce different grades and produce responsibly.

At Shyam Metalics, we are at the right place and at the right time.

We have embarked on a sizable capacity expansion funded through our net worth. This is expected to enhance our brand and competitiveness, strengthening our sustainability across market cycles.

Chairman's overview

We are making the largest investment in our existence to reinforce our competitiveness and sustainability



**Mahabir Prasad Agarwal,**  
Chairman



## Overview

If there is one term that has shaped the existence of Shyam Metals, it is 'Certainty in uncertainty.'

This was relevant a couple of decades ago when we went into business; it is even more relevant today.

When we went into business, we recognized the over-riding need to build a relatively non-cyclical business in a cyclical industry. The steel sector would be shaped by periods of high demand and high realisations followed by extended slowdowns. In a capital-intensive sector, the sharp contrasts tested business models, resulting in some companies forced into sizable losses and closure. In view of this, our principal priority was to build a Company that would be liquid and profitable across market cycles.

## Outperformance

The success of our business model has been validated in the last few years. In FY 2020-21, a year marked by the pandemic, Shyam Metals reported an EBITDA of ₹1,394.06 Crore and an interest cover of 62.46, indicating a high surplus available to the Company on the one hand and a comfortable capacity to service its interest outflow on the other. In FY 2021-22, the Company reported an EBITDA of ₹2,599.88 Crore and an interest cover of 23.17. In FY 2022-23, a year marked by steel sector slowdown, the Company reported an EBITDA of ₹1,486.03 Crore and an interest cover of 93.13. This indicates that during the last three years, marked by sudden and sharp demand shifts, the Company protected its viability. This was particularly evident during the second and quarters of the last financial year, when Shyam Metals remained PAT-positive even as a number of peers reported losses.

## The economic context

The world is passing through one of its most uncertain periods. The world appears to be moving into a recession, central banks in most countries have

tightened their monetary policies, some countries are moving closer to bankruptcy, the Russia-Ukraine war continues to affect global sentiment and the evident thaw in relations between USA and China is affecting trade flows.

The global economy revived marginally in 2022 following the pandemic induced setbacks of the previous years. The Indian economy reported a growth of 7.2% in FY 2022-23, though the performance of the last two quarters (with growth of less than 4.5% in each) cause concern. Inflation and rising interest rates continue to be sources of concern.

Despite these short-term challenges, there is considerable optimism that India's time has come. The world is turning to India's growth as a driver of the global economy (with China). India is the fifth-largest world economy and likely to emerge as the third largest by the end of this decade.

## Outlook

At Shyam Metals, we are making the largest investment in our existence in line with the growing India story.

I am pleased to communicate that the investment is being made completely from shareholder funds, which is rare in the capital-intensive steel sector. Besides, we are commissioning this expansion at a cost that has been estimated at around 30% lower than the cost of a greenfield facility. The combination of these realities indicate that we will become more competitive even as we get larger.

I must also indicate that the operations of the Company are being directed at the highest levels of environment responsibility. At Shyam Metals, we have invested extensively in infrastructure, equipment, processes and practices to moderate the impact of our business on the environment. Our facilities are periodically audited for their compliance with the prevailing statutory standards; our performance in this regard is better than the prevailing standard.

At a time when the short-term realisations outlook remains uncertain and the world is being affected by a sequence of Black Swan events, the best way of securing our long-term sustainability will be to do what we have always done: grow responsibly and graduate to the next sectorial orbit. This next orbit is not only going to be measured by our operational scale; it will be influenced by the breadth of our

**The global economy revived marginally in 2022 following the pandemic -induced setbacks of the previous years. The Indian economy reported a growth of 7.2% per cent in FY 2022-23, though the performance of the last two quarters (with growth of less than 4.5% in each) cause concern. Inflation and rising interest rates continue to be sources of concern.**

product mix, our extensive integration and infrastructure support and the fact that we will remain a net worth-driven steel Company.

Going forward, we will continue to do what we have always done – perhaps with more focus, urgency and enthusiasm. We will do so with the conviction that we will not just be among the last players standing comfortably in a slowdown but also the first to lead as soon as demand revives.

We are confident that this approach will enhance value for all those associated with our Company.

**Mahabir Prasad Agarwal,**  
Chairman

Managing Director's perspective



**Brij Bhushan Agarwal,**  
Vice Chairman & Managing Director

# Shyam Metals is poised at the cusp of disproportionate growth

## Overview

I have often been asked the secret of our PAT-positive record since inception through the most challenging period in India's steel industry.

When we went into business around a couple of decades ago, we recognized that multi-year and multi-cycle sustainability would be best derived from a completely different way of doing business.

The first recognition was that we would need to build a steel company for perpetuity. We were required to invest not only for creating capacities for the foreseeable future (three to five years from ground breaking) but to build for the next number of decades.

The result was that while we focused on reducing costs (without cutting corners), we invested proactively for the future. The latter approach resulted in incremental infrastructure spending – through larger manufacturing premises than we required immediately as well as a proactive investment in certain business

support functions, the full value of which would be progressively leveraged in successive expansion rounds. By balancing the needs of the present and the future, we built a Company that was wired for long-term sustainability.

This is how that proactive mindset paid off: the additional land space empowered us to expand without waiting to buy additional land; it permitted us to utilize the same land area and expand contiguously, capitalising on various synergies (people, location and logistics); the land available with us proved to be an excellent inflation hedge since they had been acquired at historical costs. The bottomline is that the incremental upfront cost empowered us to move with greater speed and competitiveness thereafter.

The second priority was a recognition that in our capital-intensive sector, viability would always be challenged by the fact that whereas debt re payments would have to be predictable and consistent, the health of the industry would be cyclical and unpredictable.

At the close of the year under review, we reinforced our contrarian positioning with net cash of ₹562 Crore, the announcement of a capital expenditure plan of ₹1,350 Crore in our existence and 9.63% of this capital expenditure outlay being accounted for by net worth.

This realisation made it imperative to bring under our direct control a critical aspect of our business – costs. While realisations and demand would be largely outside our control, we focused on building one of the most competitive secondary steel companies directed to remain viable across market cycles.

There were a number of initiatives that became central to this cost management discipline. As I explained, we over-invested upfront in core infrastructure that would make it possible to moderate costs in successive expansion rounds; we selected to manufacture niche products that would be protected by commodity price swings or lower cost imports; we commissioned plants faster than the prevailing sectorial average; we invested in manufacturing locations with a moderated carbon footprint; we reinvested all our accruals into timely capacity creation; we graduated to superior economies of scale; we progressively repaid the long-term debt on our books.

This has been the outcome: we achieved critical mass across our business with speed; we generated cash flows sizable enough to repay our long-term debt; we became a net cash steel company since inception and have remained so since; we stayed PAT-positive every year in our existence.

At the close of the year under review, we reinforced our contrarian positioning with net cash of ₹562 Crore, the announcement of the capital expenditure plan of ₹1,350 Crore in our existence and 9.63% of this capital expenditure outlay being accounted for by net worth. The result is that we have not only grown through net worth in the past but have created a foundation for sustainable net worth-driven growth across the

foreseeable future. In so doing, we believe that we are a case study in India's large and mature secondary steel sector.

### Performance review, FY 2022-23

I am pleased to communicate that your Company reported a record performance in FY 2022-23.

Your Company reported a 21.32% growth in revenues from ₹10,393.96 Crore in FY 2021-22 to ₹12,610.18 Crore in FY 2022-23. EBITDA declined 42.84% from ₹2,599.88 Crore in FY 2021-22 to ₹1,486.03 Crore in FY 2022-23. Net profit declined 50.79% from ₹1,724.16 Crore in FY 2021-22 to ₹848.41 Crore in FY 2022-23. The Company remained PAT-positive in the second and third quarters when most peer steel companies went into the red. This indicates that the Company reported profitable growth during a challenging year marked by volatile realisations and demand.

Despite the prevailing challenges, the business reported reasonable capital efficiency. Return on Capital Employed was strengthened 15.63% while EBITDA margin was an attractive 11.78%.

The Company reported a standout performance despite challenging realities. The year was marked by resource inflation – ore costs increased 51% from year-low to year-peak and coal costs increased 22% from year-low to year-peak – and the imposition of a duty on pellets during a part of the last financial year affected exports (corrected from November 2022).

### Strengthening the business

During the last few years, your Company embarked on initiatives to reinforce its business model.

We believe that the B2C winners within the steel industry will be those that widen and deepen the product distribution network across the country. The Company has been a consistent investor in this regard; it grew its distribution network from 400 outlets four years ago to 1000 today and a projected 2000 in the next few years (adding CRC colour sheets to our portfolio, enhancing revenues through the same distributors).

We will remain a consistent steel products exporter. We generated 9.83% of our revenues from exports to 17 countries during the last financial year. We expect to generate 20% of our revenues from exports going ahead.

We continued to invest in our infrastructure with the objective to widen our value chain, enhance infrastructure accessibility and moderate costs. We commissioned railway sidings at two plant sites, doubled to four lines with a wagon tippler, strengthened raw material systems (in the area of cost management and inventory control), invested in screening iron ore fines that moderated waste, converted hot metal to billets without cooling that saved electricity. The result is that the Company reduced power consumption per tonne of steel by ₹3.60 and moderated ₹2.42 per tonne in steel manufacture in the five years ending 31st March, 2023.

During the year under review, the Company acquired Ramsarup Industries Limited through the NCLT route in May 2022 and within six months the Board approved a ₹747 Crore cash infusion that will help the acquired unit resume operations after years (by the third quarter of FY 2024-25). The Company is engaged in the acquisition of Mittal Corp Ltd. through NCLT route.

## Outlook

At Shyam Metalics, we are optimistic of prospects on account of the low cost of being in business, combined with scale.

The immediate outlook may appear muted on account of a slowing steel sector. However, India is expected to emerge as a remarkable contrarian in the global economy because of the Indian government's decision to make a disproportionately large infrastructure investment (combined ₹10 Lakh Crore outlay across two successive Union Budgets ending FY 2023-24).

This infrastructure investment is expected to initiate a capex 'mahotsav', likely to generate a substantial demand for a range of steel products. At Shyam Metalics, we are attractively placed: we manufacture a range of value-added products and are expanding our aggregated manufacturing capacity from 5.71 million TPA to 14.45 million TPA by March 2025.

I will leave you with just one thought. Shyam Metalics took 18 years to become a 2 million finished steel Company; the Company will take a fraction of that time to enhance its aggregated manufacturing capacity of finished steel to 4.41 million.

I am optimistic that this compression will enhance attractive value in the hands of all those stakeholders associated with our Company.

**Brij Bhushan Agarwal,**  
Vice Chairman & Managing Director

India is expected to emerge as a remarkable contrarian in the global economy because of the Indian government's decision to make a disproportionately large infrastructure investment



**Sanjay Kumar Agarwal,**  
Joint Managing Director

## Analysis

# The company remains committed to its 'Ore to Metal' commitment, deepening its positioning as a diversified and progressively de-risked metals conglomerate.

**Joint Managing Director Sanjay Kumar Agarwal highlights the projects that were commissioned or will be commissioned, strengthening business sustainability**

## Overview

The financial year 2022-23 has been a year of adaptation and adoption.

The Indian steel sector encountered multiple challenges comprising geopolitical crises leading to high energy costs, which provided rich continuity for the company.

Despite these evident realities, the company progressed well, reporting a profit in each quarter and growing revenues and profits during the year under review.

This resilience was the result of a pre-meditated commitment to climb the value chain. In line with this direction, the company moderated the revenue share derived from pellets, sponge iron and billets (lower in the value chain) from around 63% in FY2018-19 to 31% in FY 2022-23, strengthening value-addition and moving closer to end consumers.

The point of optimism is that going forward, the company will moderate this share further to less than 25% in the next two years, transforming its personality from resources to value-added end products, widening value-addition and maximising capital efficiency.

Correspondingly, the proportion of revenues derived from finished steel

improved from 17% in FY 2018-19 to 48% in FY 2022-23. Going ahead, this brand-centric offtake will enhance visibility, profitability and possibly valuation. We see this as futuristic, taking the company in the right direction.

At Shyam Metals, we have been engaged in a series of brownfield expansion programmes at our existing plants; besides, the company enjoyed the benefits of the first operational year of the aluminium foil plant, which should moderate imports (2,00,000 tonnes per annum) and move India towards self-sufficiency. What is distinctive in this initiative is that our output during the year under review was between 6 and 13 microns, graduating us from the commodity end of the business towards the specialized, strengthening our realisations and brand. The result is that the company exported more than 60% of its production, transforming import dependence to international sales.

At Shyam Metals, the CRM plant is under commissioning (in a subsidiary Shyam Metals Flat Product Private Limited) and this project has been approved under the PLI scheme. Once the production goes on stream, the company will add a new product, strengthening its market presence and accounting for a larger share of the customer's wallet.

At our company, a separate team commenced working on the expansion and rehabilitation of the acquired Ramsarup facility; the management is confident of addressing all targets and bring this facility to production in the shortest time.

The company's low-carbon ferrochrome facility is being ramped. The facility began to contribute to the top-line from the last quarter of the last financial year; this is expected to stabilise in FY 2023-24.

The company's acquisition of Mittal Corporation will reinforce backward integration and empower the company to capture a larger part of the value chain in the stainless steel business.

From a holistic perspective, the growth projects and acquisitions are being integrated within the objective low-cost sustainable growth. The company expects to fund these expansions - portfolio and capacities - through its earnings, which should protect its low overall gearing and credit rating.

The result is that the company remains committed to its 'Ore to Metal' commitment, deepening its positioning as a diversified and progressively de-risked metals conglomerate.

Chief Financial Officer's performance overview

# Shyam Metals possesses one of the most attractive Balance Sheets in India's secondary steel sector

How we have built a long-term platform of liquidity, viability and sustainability



**Deepak Agarwal**  
Director - Finance & CFO



## Overarching message

My overarching message is that the Company built on its business during the year under review even as it encountered challenges related to raw material cost surges, global supply chain bottlenecks, anticipated increase in working capital outlay, retaining the price-value proposition of the end products, enhancing offtake of the product mix, increasing preference for environment-friendly products, need to enhance cash flows and growing the business only through net worth.

The Company addressed these challenges, making it the 18th successive year of bottomline growth, and in 18 years when the Company remained PAT-positive. The improvement in performance validated the Company's contrarian business model, critical mass and any-cycle competitiveness. The Company intends to fund its prospective capital expenditure completely through net worth, deepening its sustainability.

## Profitable growth

During the last decade, the Company scaled its business profitably, enhancing resilience in the face of economic and market cycles. This long-term direction was validated during the year under review: The Company reported 21.32% revenue growth (compared with the Indian GDP growth of a 7.2%). The Company reported a 9.86% decrease in PAT, without compromising the Company's brand, Balance Sheet or prospective earnings capacity.

Year	FY21	FY22	FY23
Revenue growth %	44.33	65.06	21.32
EBITDA growth %	119.09	86.50	-42.84

## Achievement

The consistent improvement in the Company's performance was perceived favourably by the most demanding rating agencies. At a time when most companies struggled to protect their rating, your Company maintained its credit rating of

A1+ at A1+ for short-term borrowings and AA- Positive to AA Stable for long term borrowings as appraised by CRISIL. This protection represents a validation of the Company's performance, promoter and prospects. This creditable rating is likely to have a range of spin-offs: from empowering the Company to mobilize low-cost debt (should it ever need) to reinforcing its position as a front-line talent recruiter.

## Credit rating

Year	FY21	FY22	FY23
Credit rating (Long term)	CRISIL AA- (Stable)	CRISIL AA- (Positive)	CRISIL AA (Stable)
Credit rating (Short term)	CRISIL A1+	CRISIL A1+	CRISIL A1+

## Capital efficiency

The Company reported yet another year of financial outperformance in FY 2022-23. EBITDA margin weakened 1323 bps to 11.78%, which was a reflection of an improvement in volumes, economies of scale, integration and a larger proportion of value-added products. Return on Capital Employed weakened 2455 bps to 12.43% due to increased sales and and lower realisations RoE weakened from 31.52% to 13.62%.

The Company protected its Balance Sheet integrity by reporting record revenues and profits. The average cost of gross debt was 6.08% while the Company generated an average 13.62% Return on Equity. Even though the interest on gross debt was shown as an expense and the interest earned on liquid deposits was shown as 'Other Income', the Company's net interest outflow was negligible.

The overall improvement in the health of the business was the result of various long-term priorities: enhanced economies of scale and brand across steel products. The clarity of this approach created a foundation for the Company to build on – the higher the offtake, the better the profitability. All the income generated by the Company was from the manufacture and sale of steel products.

Across the foreseeable future, we expect to generate a return superior to what our risk partners (shareholders) would be able to generate if they invested in alternative asset classes. We will seek to maximize capital efficiency through net worth-funded growth, investment in projects with shrinking payback, projects commissioning quicker than the sectorial standard, value-addition and superior working capital management. We will maximize capital efficiency by entering a product segment, creating sizable capacity, seeding the market, growing a consumption appetite and investing accruals in additional capacity to make products marketed proximate to the manufacturing plants.

## Margins

Our objective is to generate superior margins year-on-year. During the last financial year, our EBITDA margin strengthened following an appreciable increase in manufacture and sales, which covered profitable infrastructure, raw material and logistics costs. The improved margins were the result of increased sales volumes and value-addition, a validation of our volume- and value-driven approach. The rising margins were also a reflection of the Company moderating costs down to one of the lowest within the sector in India. The Company intends to strengthen margins through conversion cost moderation, improved product mix and infrastructure construction (railway sidings).

Year	FY21	FY22	FY23
EBITDA margin %	22.14	25.01	11.78

## Liquidity

As a policy, we seek to maximize the use of accruals in business growth, moderating borrowed funds. During the year under review, we drew 55% of the sanctioned short-term loans (on average), which made it possible to moderate interest outflow and enhance profitability, a virtuous cycle. We enhanced our working capital hygiene: shrinking our receivables cycle through better terms

of trade with primary customers (trade partners), marketing products with strong offtake and graduation to a value-added product mix. We placed a premium on liquidity, preferring it over profitability when the alternative is between maximum revenues with stretched liquidity and revenues with enhanced liquidity. The success of this approach was evident in the cash flows. Over the years, the Company recognized the importance of working with an under-stretched Balance Sheet, marked by attractive cash on the books, rising interest cover, low gearing and low Net debt/EBITDA. The Company focussed on protecting terms of trade (within tolerance limits), leveraging cash in hand to generate raw materials discount and addressing fresh capital expenditure with net worth (no incremental debt). The Company expects to generate additional net worth-driven cash flows (that would have serviced debt), strengthening a virtuous cycle of

reinvestment, cash flow generation and enhanced organisational value.

### Cash and cash equivalents

Year	FY21	FY22	FY23
Cash and cash equivalents (₹ Crore)	163.84	91.90	74.78

### Exports

The Company is positioned as an international steel products / resources producer located out of India. The Company services the growing demand of buyers across 17 countries. The increasing proportion of international sales was a reflection of the Company's growing competence and confidence and its ability to service a large global market with timely supply of quality material delivered in full.

### Exports

Year	FY21	FY22	FY23
Export as a % of revenues	16.02	16.92	9.83

### Realisations

The Company has consistently enriched its portfolio through the manufacture of value-added steel products and resources going into them. The superior realisations have been derived from a growing proportion of complex quality-intensive products and the weakness of the rupee against the US dollar (8.46% depreciation in FY 23).

### Average realisations

Average realisation per MT (₹)	FY21	FY22	FY23
Iron pellet	8,452.00	12,590.00	8,612.00
Sponge iron	20,950	30,447.00	31,702.00
MS billets	30,864	43,395.00	47,680.00
Long products	36,650	48,916.00	53,268.00
Ferro alloys	69,087	1,10,235.00	1,01,360.00
Aluminium	NA	3,66,306.00	3,67,263.00

### Debt management

The Company's working capital debt enhanced from ₹407.84 Crore to ₹819.98 Crore; net worth strengthened from ₹5,470.12 Crore to ₹6,228.34 Crore; gearing moved from 0.10 in 2021-22 to 0.18 in 2022-23 as the Company grew net worth and used short-term debt to address working capital requirements. The capital expenditure notwithstanding, the Company remained net cash positive (cash on hand being higher than total debt). The cost of short-term debt on the Company's books increased from 6.70% to 9.05% during the year under review (7.10% to 8.70% in the previous year),

which we consider to be reasonable. By the virtue of investing in products with strong traction that generate an attractive return within a compressed period, the Company is laying the foundation of higher surplus and profitability. This preference for net worth is shareholder value-accretive in the light of debt lightness, maximized cash flows and war chest for prospective investments (including acquisitions).

### Debt repayment

Year	FY21	FY22	FY23
Debt repaid (₹ Crore)	264.96	255.70	-618.11

### Debt cost

Year	FY21	FY22	FY23
Average debt cost %	5.60	5.85	6.08

### Gearing

Year	FY21	FY22	FY23
Debt-equity ratio	0.24	0.10	0.18

## Capital expenditure

The Company continued to invest in productive assets, strengthening its gross block. This capex addressed the need to enhance capacity, increase the proportion of value-added products and moderate costs. The Company expended ₹1,578.92 Crore in capex during the year under review. The Company intends to invest ₹1,894 Crore in capital expenditure until FY 2022-25 (27.13% already spent until the close of FY 2022-23). The Company is increasing its steel capacity from 5.71 MTPA to 14.45 MTPA.

Product wise capacity expansion (MTPA)	Proposed expansion	Total
Iron Pellet Plant	1.2	6.00
Ferro Alloys Plant	0.00	0.22
Coke Oven Plant	0.60	0.60
Direct Reduced Iron	0.75	3.05
Blast Furnace	1.05	1.05
Billets (steel melting shop)	0.31	2.01
TMT, Wire Rod and Structural Steel	0.40	2.07
Ductile Pipe Plant	0.2	0.2
Colour Coated Sheets (CRM)	0.40	0.40
Sinter Plant	1.2	1.2
Captive power (MW)	90	357
Railway Siding	2	4

## Capital expenditure

Year	FY21	FY22	FY23
Capital expenditure (₹ Crore)	361.05	939.88	1,578.92

## Working capital management

Our focus is not just the quantitative growth of our business but also the hygiene of our numbers, reflected in superior working capital management. We generally seek to draw working capital lower than sanctions provided by banks. During the year under review, the Company drew only 55% of its sanctioned working capital. There was a premium on competent working capital management; there was a sharp increase in the cost of raw materials (44% from trough to peak and 5% from year-start to year-end for principal raw materials, putting a premium on the ability to buy right in terms of timing, price and quantity). Working capital as a proportion of the total employed capital was 16.09% and 40.10% in FY 2022-23 and FY 2021-22 respectively;

the proportion of inventory in the working capital outlay was 166.50% and 81.50% respectively. The working capital tenure reduced from 67 days of turnover equivalent in FY 2021-22 to 56 days in FY 2022-23. The Company's receivables were 14 days of turnover equivalent during the year under review.

## Working capital intensity

Year	FY21	FY22	FY23
Working capital as % of total capital employed	32.97	40.10	16.09

## Accruals management

Capital discipline is central to the Company's sustainability. The Company generated ₹1,320.68 Crore in cash profit during the year under review. Some 11.50% of this availability was returned to shareholders as dividend. Of what was left, the Company invested ₹1,205.90 Crore in its business.

## Way forward

The corporation enjoyed a strong financial position at the end of the financial year under review. The Company's net worth stood at ₹6,228.34 Crore as on 31st March, 2023, with long-term debt of ₹331.80 Crore and short-term debt of ₹819.98 Crore. The Company's large net worth was the outcome of a long-term build-up of surpluses. In an unpredictable world, this significant net worth bias implies relative de-risking; it provides the Company patient and resilient capital in challenging periods.

### Deepak Agarwal

Director - Finance & CFO



Part 3

# How we built a distinctive counter-cyclical steel Company



# Shyam Metalics is not just another steel Company

**It is a contrarian case study**

They said we would grow in line with the Indian economy

*We have outperformed India's economic growth in every year of our existence (41.51% CAGR in revenues)*

They said this was a cyclical sector difficult to succeed in

*We resolved to build a counter-cyclical company sustainable across market cycles*

They said that the cyclical swings of the sector would deplete our earnings

*We are possibly the only Indian steel company to remain PAT-positive for 18 consecutive years*

They said that it was virtually impossible to grow sustainably

*We have built arguably India's largest mid-to-large steel Company in just a decade and a half*

They said it would be advisable to build scale by integrating forwards

*We integrated backwards from finished metal to ore to reduce costs instead*

They said that the giants of the past would crowd us out

*We have emerged India's largest ferro alloy manufacturer and third largest sponge iron producer*





# We established consistency in a cyclical business

**At Shyam Metalics, we have created a respect for consistent growth irrespective of the prevailing economic or sectorial cycle.**

We prudently manufactured value-added products with relatively inelastic demand.

Within this niche, we expanded our manufacturing capacity across 23% of the last 15 years.

The result is that we grew revenues in CAGR 20% of the last 15 years and cash profit in CAGR 20% of the last 15 years.

This investment will enhance our manufacturing capacity from 9.9 TPA to 15 million TPA by 2025; this will treble our finished steel capacity between 2021 and 2025 to 3.6 million TPA.

What the Company achieved in the first decade-and-a-half of business is likely to be replicated in less than a fifth of that time.

*The next orbit.*

# We are accelerating our virtuous cycle through net worth-driven investments

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At Shyam Metals, we invested 73.83% of our net worth in capacity expansions in the five years ending FY 2022-23.

We invested with zero debt in these capacity expansions in the ten years ending FY 2022-23.

We reinvested from our net worth; in the five years ending FY 2022-23, net worth accounted for 73.83% of our investments; the ongoing expansion is being completely funded by net worth. This is one of the largest expansions among mid-to-large secondary steel manufacturers to be completely funded through earnings.

The aggressive deployment of net worth will accelerate a virtuous cycle. This will enhance our resilience in weak steel markets and enhance our profitability during industry rebounds.

This will increase our liquidity, profitability and sustainability even as we get larger.

*The next orbit.*







# We have progressively deepened our operational integration

When we went into business, we resolved that we would not be driven singularly by the prospect of becoming the biggest. We would seek to become the best instead.

This perspective was manifested in our integration strategy: we would maximize the manufacture of raw materials within; we would create a value chain of products that would be linked (end product become a raw material for another value-added product).

The result: we address 74% of our raw material appetite from within.

We account for 74% of our energy needs through captive power generation (a competitive advantage in the ferro alloys business that consumes 3,660 units per tonne of the end product).

We account for 68% of our sponge iron needs from within (used in the manufacture of billets).

We account for 85% of our billet needs from within (used in the manufacture of downstream steel products).

We invested in logistics infrastructure (railway siding) for timely resource access and product evacuation.

By building scale and efficiency in the manufacture of our various raw materials, we have created a captive, low cost, quality raw materials foundation.

The result is that we are one of the most extensively integrated mid-to-large steel companies in India today, possessing the capacity to outperform across industry cycles.

The time has come for us to make the largest investment in our existence to enhance the capacity of raw materials and end products.

*The next orbit.*



## Part 4

How we have  
been enhancing  
value in an  
integrated way

Integrated value creation

# How Shyam Metals is enhancing value for all its stakeholders

An integrated value-creation report, FY 2022-23



## Overview

The Integrated Report enhances an understanding across diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers), underlining the need for an organisation to enhance value in a sustainable manner. The report draws on diverse strands (financial, management commentary, governance, remuneration and sustainability reporting) in explaining an organisation's ability to create, enhance and sustain value.

**Strategy**

- Position as an FMCG metals Company with 40% revenues from retail
- Manufacture products that service under-addressed or sustainably growing needs
- Acquire assets or companies through the NCLT route at a fraction of the greenfield time and cost

**Procurement economies**

- Procure abundant resources through enduring supply chain relationships
- Procure economically through proximate procurement
- Procure superior quality

**Products basket**

- Increase the proportion of value-added products: no business-to-government exposure
- Ensure that an attractive portion of products is consumed within
- Manufacture products relatively unaffected by sector swings or cheaper imports

**Financial structure**

- Leverage the highest credit rating in India's steel sector (AA) to mobilize low-cost debt
- Draw considerably less than the sanctioned working capital
- Invest 80% accruals in growth (scale or products), the rest in working capital



**Manufacturing excellence**

- Maximize asset utilisation across the board
- Create fungible capacities to flexibly address different markets
- Manufacture proximate to resources and markets (moderating logistics)

**People competence**

- Enhance talent productivity
- Invest in knowledge, experience and passion
- Empower through IT and digitalisation

**Environment integrity**

- Moderate resource consumption per unit of production
- Protect the region's environment balance
- Benchmark manufacture as per compliance standards

**Community support**

- Provide community support
- Focus on integrated development
- Engage in a sustainable way for extended impact

**Drivers of our value**

**Our employees** represent the aggregate knowledge of how to grow the business across a range of functions (procurement, manufacturing, quality, finance etc.). We provide an exciting workplace, generate stable employment and help enhance productivity

**Our shareholders** provided capital when we went into business. Our focus is to generate free cash, enhancing RoCE and, in doing so, increase value of their holdings

**Our vendors** provide credible and a continuously supply of resources (ore, equipment and services). We maximize quality procurement that is remunerated with speed, protecting our supply chain.

**Our customers** keep us in business through a consistent purchase of products, generating the financial resources to sustain our operations. Our focus is to sell to a larger number of customers and retain them, strengthening relationships

**Our communities** provide precious social capital (education, culture, security etc.). We support and grow communities through consistent engagement

**Our governments** provide us with a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen

At Shyam Metals, the prudent interplay of the value generated by each stakeholder ensures business sustainability and enhanced organisational value.



## The resources of value creation

### Natural capital

We derive all our resources - water, fossil fuels and carbon sinks — from this capital. Our engagement is influenced by the degree of dependence on natural resources, environmental impact of the production process on the environment and what the organisation needs to do to operate within environment limits.

*The Company is engaged in waste recycling and water conservation; it manufactures fly-ash bricks through industrial waste; its floating solar plant has a capacity to generate 1.23 MW of renewable energy; its sponge iron online conveying system minimizes vehicular movement*

### Social and relationship capital

This represents the relationships between our Company and stakeholders (community, governments, customers and supply chain partners). These could also comprise operating licenses, dependence on the public sector or supply chain.

*Our Company will focus on developing urban and rural areas within the states where it operates. To sustain and enhance the quality of life of the communities it serves, the Company plans to allocate at least 2% of its average net profit from the preceding three years towards CSR activities. Our Company finished products are stocked and sold by over 800 dealers and distributors across 27 states and 1 Union Territory. The majority of its product sales, approximately 70%, occur within a 500-Km radius of its plants.*

### Intellectual capital

This includes resources such as patents, copyrights, intellectual property and organisational systems, procedures and protocols, which can provide competitive advantages. Conversely, companies that pollute could attract censure or closure.

*Our Company prioritizes high-value activities, ensuring consistent presentation and real-time data logging. We benchmark and micro-monitor our performance, striving to maintain data integrity and improve data reporting. Through continuous investment, gate and weighbridge automation and user enablement, we reduce vehicle turnaround time (TAT) while upholding data and security standards. We remain committed to consistent availability and decision-making support through our decision making dashboards.*

*Our manufacturing units were certified with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.*

### Human capital

This refers to skills and know-how of an organisation. The success of an organisation is tied to the competent management of teams. Excessive employee turnover or inadequate remuneration can affect the brand and our ability to enhance value

*Shyam Metals has 14,635 employees and conducts in-house training and motivational programs. We are a certified great workplace and have received awards for promoting employee well-being and excellence in HR development practices and CSR. We maintain compliance with government agencies and have a lean board with 5 Independent Directors. Our policies and programs prioritize the overall development of our teams.*

### Financial capital

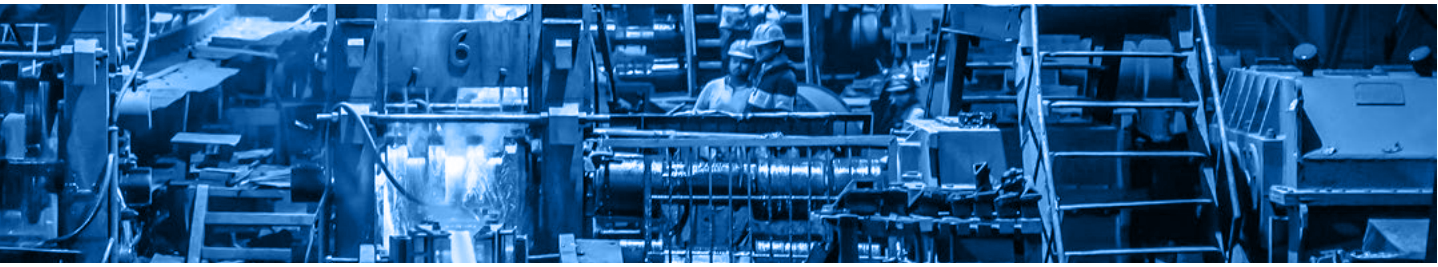
This includes funds obtained through financing or generated through our accruals - the funds pool available in the production of goods or the provision of services, including debt and equity

*We aim to optimize capital allocation and maintain a strong Balance Sheet while generating strong free cash flows. Our financial performance includes operating profit of ₹1,486.03 Crore, net worth of ₹6,228.34 Crore, EBIDTA margin of 11.78%, PAT margin of 6.73% and a debt-to-equity ratio of 0.18. We are commissioning an expansion at a cost estimated at 30% lower than a greenfield facility. Our credit rating includes CRISIL AA (Stable) for long-term bank facilities and CRISIL A1+ (Stable) for short-term bank facilities.*

### Manufactured capital

This comprises physical infrastructure like buildings or technology equipment and tools that contribute to organizational productivity.

*We invest in cutting-edge equipment and machinery to ensure efficient and safe operations, supporting our sustainable cash flow generation. Our inputs include a Gross Block of ₹5,546.99 Crore and state-of-the-art manufacturing facilities at Sambalpur, Jamuria, Mangalpur and Pakuria, with a combined manufacturing capacity of 8.86 MTPA. We achieved significant value creation, with a 21.32% increase in revenue from operations and a 50.79% decrease in net profit. Additionally, we achieved high capacity utilisation in pellet, sponge iron, billet, long product and ferro alloy production.*



## Our value creation strategy

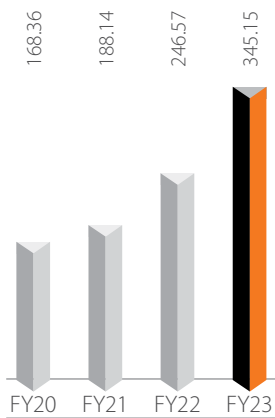
Strategic focus	Innovate and excel	Cost leadership	Supplier of choice	Robust people practices	Responsible corporate citizen	Value-creation
Key enablers	<p>Nurturing a culture of process excellence, reflected in higher plant availability and higher material yield.</p> <p>This makes it possible for the Company to generate higher throughput from existing capacities</p>	<p>Shyam Metals focuses on operational excellence and cost leadership.</p> <p>The Company is one of the lowest cost producers on account of integration, economies, resource proximity and under-borrowed Balance Sheet</p> <p>The Company's capital cost per tonne of installed capacity is among the lowest in India's mid-to-large secondary steel sector</p>	<p>Shyam Metals reinforced customer engagements through timely product delivery and high customized quality.</p>	<p>Shyam Metals is an employer of 14635 people (full time and contractual) across its facilities.</p> <p>The Company's people engagement has been marked by a culture of urgency, delegation, empowerment, responsibility and accountability.</p> <p>The Company's invigorating workplace is marked by training, engagement, fair appraisal and attractive reward</p>	<p>Shyam Metals is a responsible corporate citizen</p> <p>The Company is engaged in community development activities in the hinterland of manufacturing facilities</p> <p>The Company spent ₹16.26 Crore across CSR activities in FY 2022-23</p>	<p>Shyam Metals enhances value for all its stakeholders</p> <p>It manufactures products that enhance lifestyle and well-being.</p> <p>Steel enhances infrastructure robustness and economic growth (the captive manufacture of resources enhance steel quality)</p>
Material issues addressed	<p>Superior technology leading to production efficiency quality</p>	<p>Creating the basis of long-term viability through an any market cycle competitiveness</p>	<p>Enhancing revenue visibility through product criticality, enduring customer relationships, PPAs and national policy alignment</p>	<p>Creating a professional culture with authority, responsibility and accountability seeking overarching excellence in everything the Company does</p>	<p>Community engagement; widening the prosperity circle</p>	<p>Stakeholders' need for enhanced value creation</p>
Capitals impacted	<p>Manufactured, Intellectual, Financial</p>	<p>Financial, Intellectual, Natural, Social and Relationship</p>	<p>Intellectual, Manufactured, Social and Relationship</p>	<p>Intellectual, Human</p>	<p>Social and Relationship, Natural</p>	<p>Intellectual, Manufactured, Social and Relationship</p>



### Enhancing stakeholder value

#### Employee value

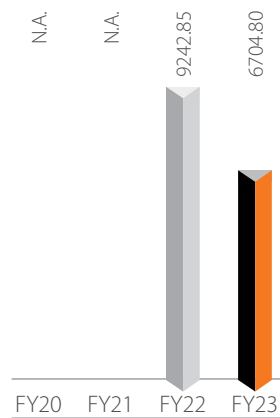
Salary and wages  
(₹ Crore)



The Company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer

#### Shareholder value

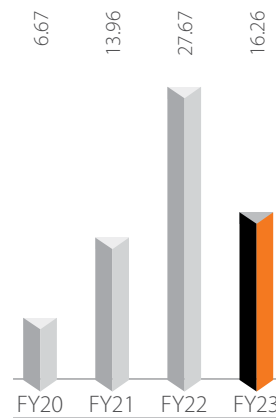
Market capitalization  
(₹ Crore)



The Company encountered resistance in shareholder value which will be addressed through a complement of prudent business strategy, accruals reinvestment, cost management and share buyback.

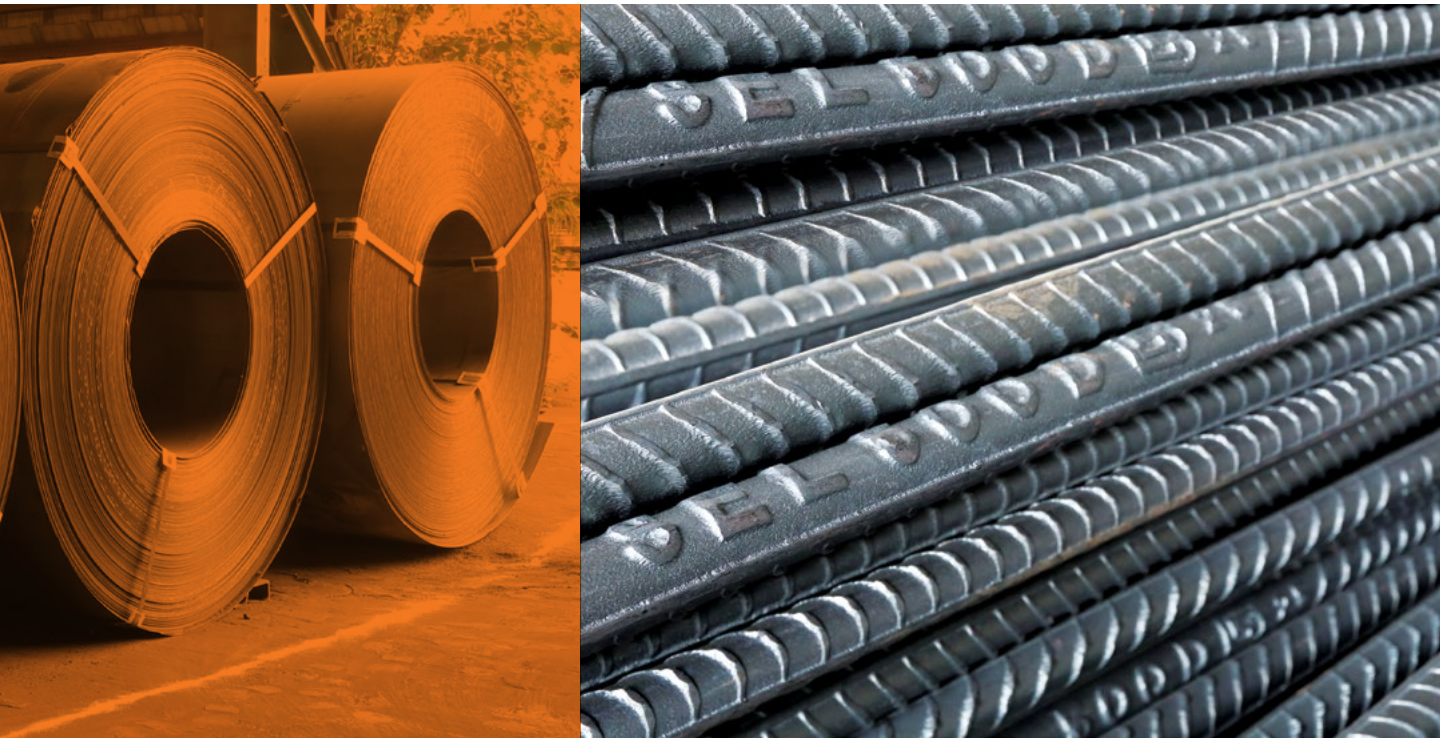
#### Community value

CSR investment  
(₹ Crore)



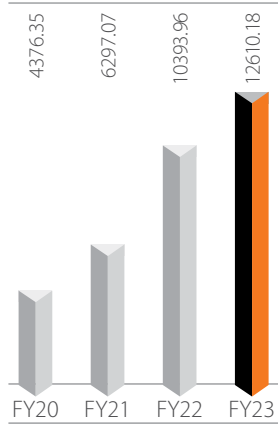
The Company enriched communities in the geographies of its presence through a complement of CSR programmes



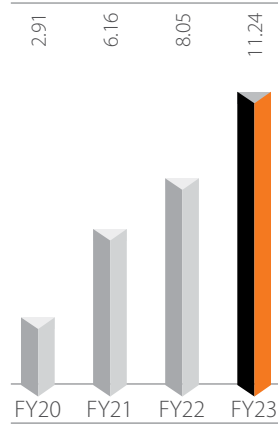


**Customer value**

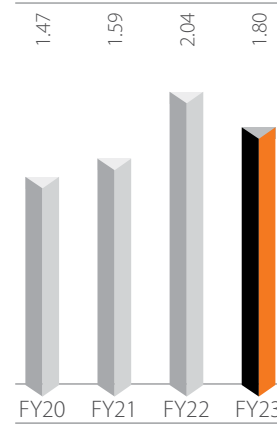
Revenues  
(₹ Crore)



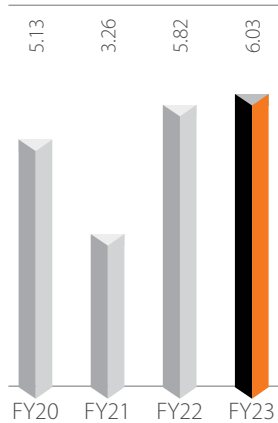
Quantity of finished steel sold (Lakh MT)



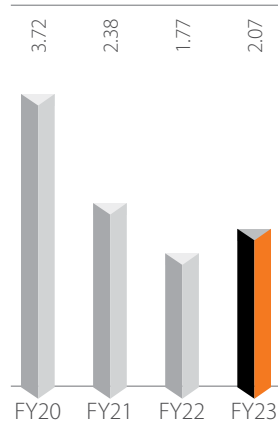
Quantity of ferro alloys sold (Lakh MT)



Quantity of sponge iron sold (tonnes)



Quantity of billets sold (tonnes)



Coupled with an increase in volumes, the Company increased revenues, an index of the value created for customers.

# Shyam Metals and shareholder value creation

## Shareholder value

<u>6,704.80</u>	<u>9,242.85</u>
₹ Crore	₹ Crore
market capitalization, 31st March, 2023	market capitalization, 31st March, 2022

## Capital outlay

<u>8231.98</u>	<u>6294.10</u>	<u>4419.01</u>
₹ Crore	₹ Crore	₹ Crore
capital employed, FY 2022-23	capital employed, FY 2021-22	capital employed, FY 2020-21

## Working capital outlay

<u>819.98</u>	<u>407.85</u>	<u>669.16</u>
₹ Crore	₹ Crore	₹ Crore
working capital borrowings, FY 2022-23	working capital borrowings, FY 2021-22	working capital borrowings, FY 2020-21

## Reducing Balance Sheet size

<u>0.18</u>	<u>0.10</u>	<u>0.24</u>
X	X	X
gearing, FY 2022-23	gearing, FY 2021-22	gearing, FY 2020-21

## Net worth

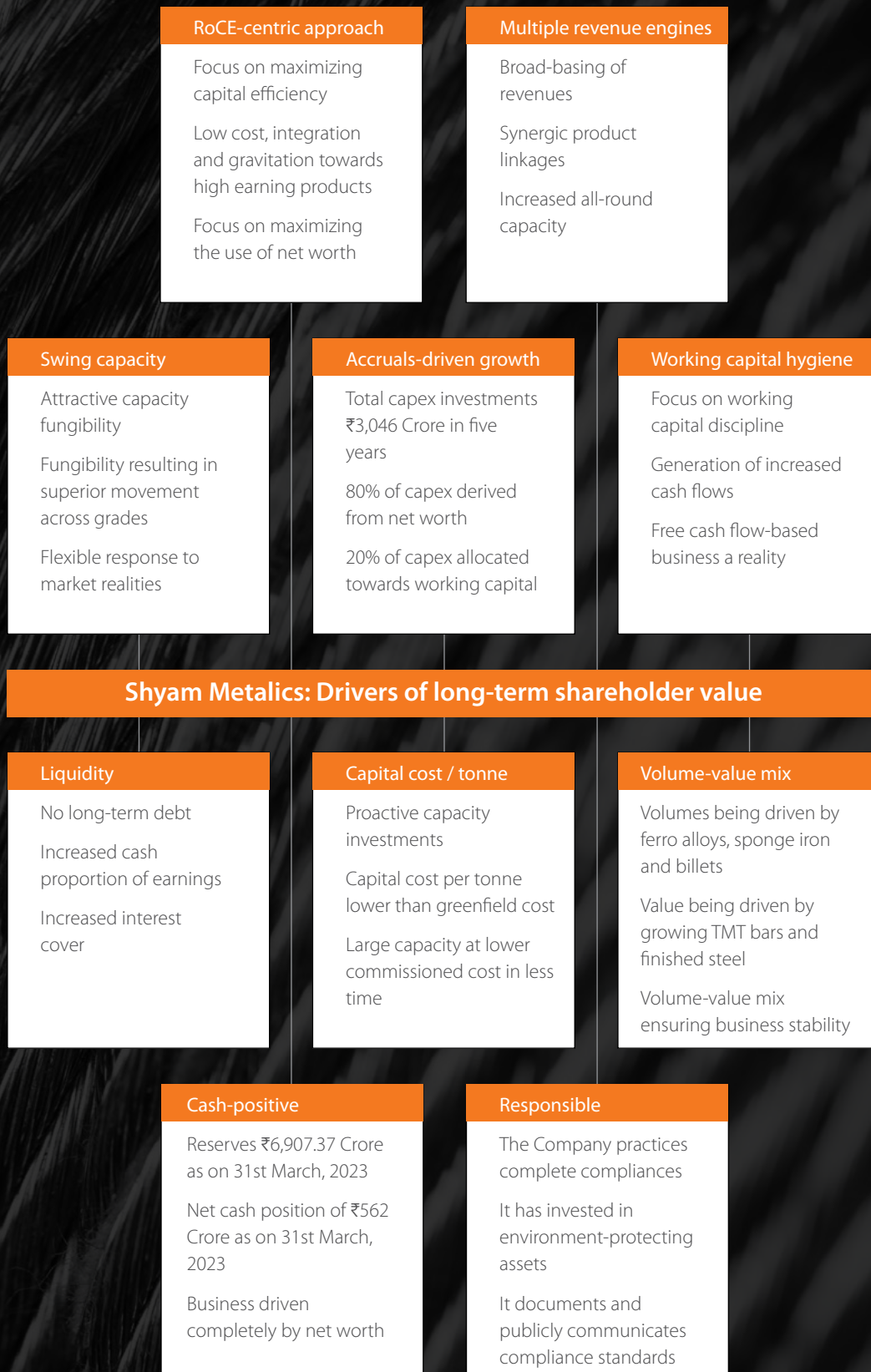
<u>6228.34</u>	<u>5470.12</u>	<u>3249.44</u>
₹ Crore	₹ Crore	₹ Crore
net worth, 31st March, 2023	net worth, 31st March, 2022	net worth, 31st March, 2021

## EBITDA/Net Block

<u>51.82</u>	<u>109.08</u>	<u>79.26</u>
%	%	%
FY 2022-23	FY 2021-22	FY 2020-21

## EBITDA margin

<u>11.78</u>	<u>25.01</u>	<u>22.14</u>
%	%	%
FY 2022-23	FY 2021-22	FY 2020-21



Our excellence driver

# At Shyam, we continued to deepen our manufacturing technology capabilities

Shyam focuses on manufacturing substantial volumes around the highest quality standard, lowest costs and moderated environment impact.



## Overview

The Company is ranked as the sixth largest integrated steel manufacturer and one of the major producers of ferro alloys in India. The Company is ranked as the fourth largest player in the sponge iron industry and a prominent pellet producer.

The Company deepened its integration (backward and forward) across the value chain. It invested in design process engineering hardware and software, graduating the mechanical to the automated, empowering product innovation, multiple applications, portfolio expansion and product customisation.

We have consistently leveraged technology and innovative approaches to create a diverse range of forward-looking products. The Company's recent product developments are geared towards achieving and maintaining a prominent position in key sectors such as automotive, construction, oil and gas.

Our commitment to technological advancement also extends to environmental stewardship, with an emphasis on transitioning to low-carbon practices, reducing reliance on freshwater resources, optimizing waste utilization, promoting circular economy models and innovating economically viable solutions

for utilizing lower-grade raw materials. Our main research and development efforts are concentrated on creating ground-breaking sustainable products and processes. Notably, we have achieved significant advancements in the realm of steel products in the past year.

**Technology upgradation**

• Shyam incorporated modern-day technologies to enhance product quality designed to exceed customer expectations.

• Enhanced downstream capacity from 2.7 million tons per annum (MTPA) to 4.4 MTPA; expanded upstream capacities by 5.1 MTPA with corresponding technology interventions and upgradations.

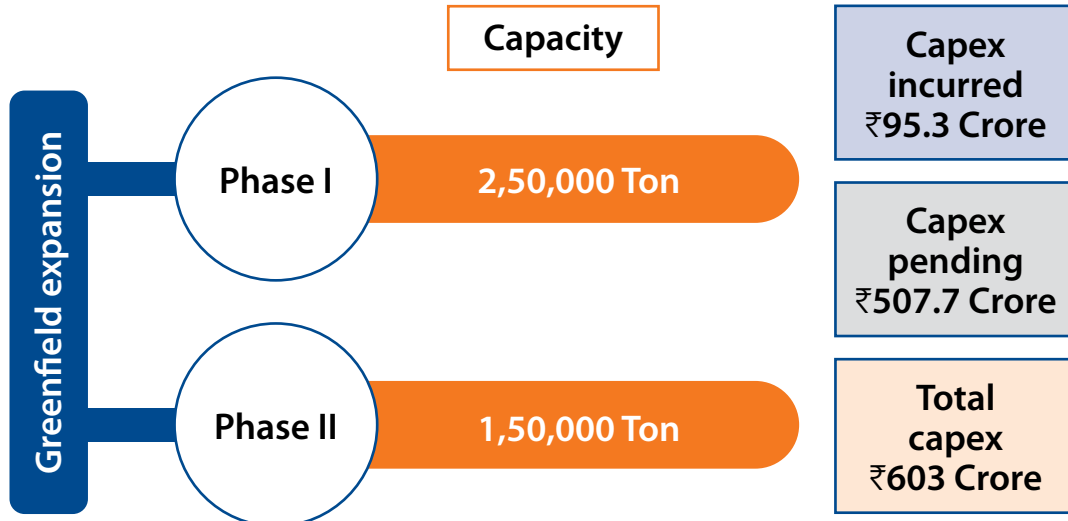
• The technology interventions by the Company resulted in superior material yield, lower emissions or discharges, remote machine-driven interventions and superior product quality.

**Highlights, FY 2022-23**

• The Company embarked on establishing a new greenfield project for a cold rolling

mill on a 94-acre plot in Jamuria with corresponding technologies (project received approval under the PLI scheme).

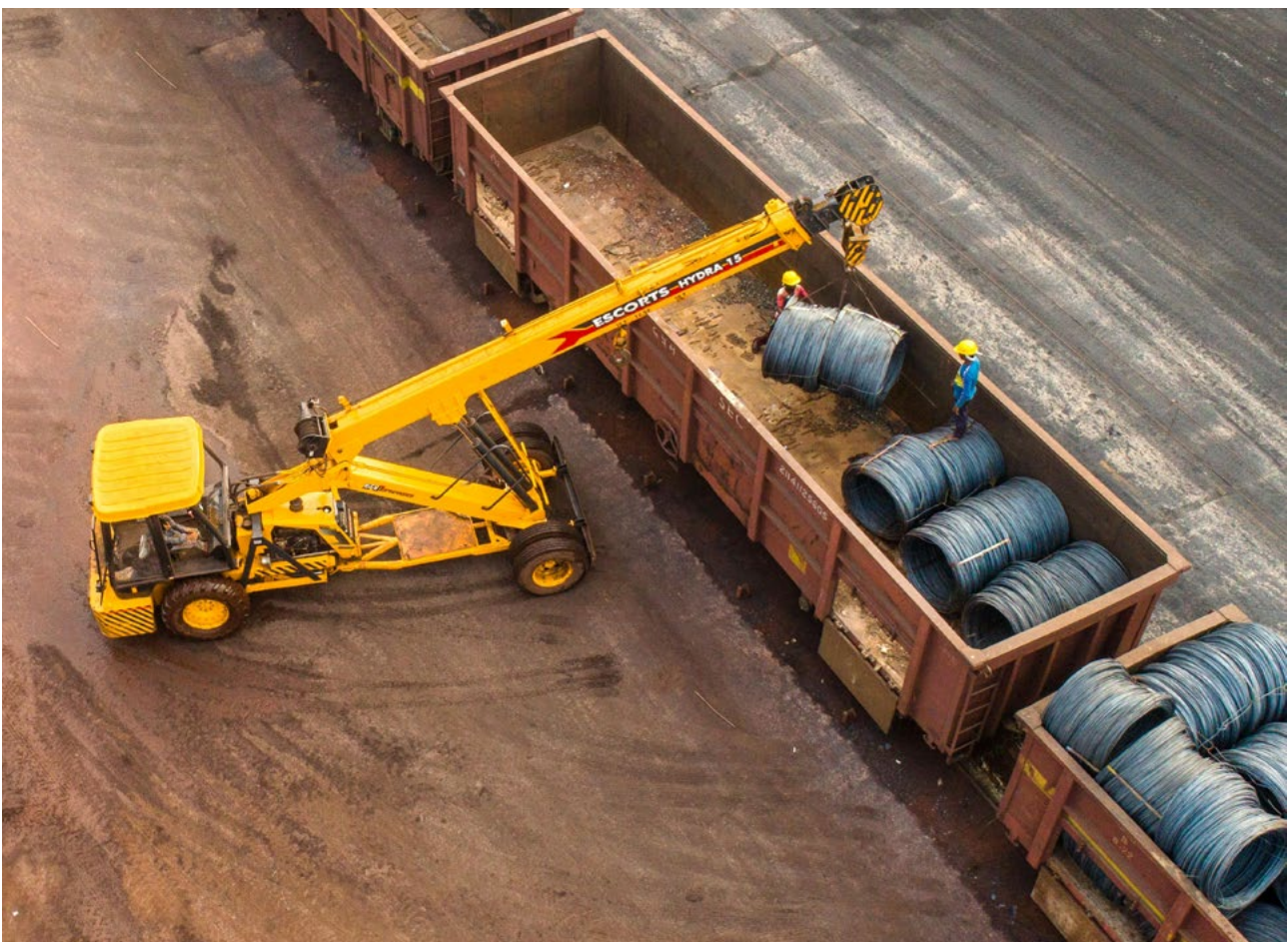
• The product range will encompass GI/GL coils and PPGL (pre painted galvalume coils) through a wholly-owned subsidiary Shyam Metals Flat Products Pvt Ltd.



Our excellence driver

# Our sales and marketing review

**Shyam markets products close to its manufacturing facilities, moderating logistics cost and environment footprint, while enhancing realisations.**



## Overview

As a leading Indian integrated metal producing company, the Company offers a diverse range of intermediate and finished products across the steel value chain. Its two 'ore to metal' integrated steel manufacturing plants - Sambalpur and Jamuria – service domestic and international clients.

The Company services clients with the following products: Iron pellets, ferro alloys, direct reduced iron, billets (steel melting shop), TMT, wire rod and structural steel and aluminium foil.

### Challenges and counter-initiatives, FY 2022-23

The Company encountered challenges, comprising inflationary raw material prices and logistics issues. The Company diversified procurement sources (coal sourced from South Africa and Russia);

domestic procurement was from various coal mines. The Company increased its consumption of imported materials, overcoming raw material pricing challenges.

Logistics issues were addressed by procuring GPWIS, a rail network purchased

from a supplier and operated solely by the Company, countering logistics challenges. The Company monitored prices and made timely purchases. By pre-planning and booking, freight increases were moderated. The Company countered aluminum foil dumping by China through superior service and product quality.

### Performance highlights, FY 2022-23

In the last quarter of FY23, the Company initiated the establishment of two DRI plants (Jamuria and Sambalpur). The Company commissioned a TMT mill and wire rod and wire draw mill in Sambalpur, strengthening production by around 10% across those segments.

The Company acquired Mittal Corp Limited and initiated a value-added product line (stainless steel wire rods). The Company acquired Ramsarup Industries,

comprising a DRI and blast furnace for specialized wires. The production of specialized wires is expected to commence in the second quarter of FY 2023-24.

The production of ferro alloys was 2,17,000 Mt in FY 2022-23, a 5.08% increase over the previous year. The launch of medium and low carbon ferro chrome and ferro manganese enhanced output.

The Company increased TMT bar capacity from 904 KTPA to 1674 KTPA following the commissioning of a new mill in Sambalpur. The production capacity of

the pellet plant in Sambalpur increased by 1200 KTPA.

The Company generated ₹416.35 Crore from aluminum foil sales, customized around requirements. The Company launched a new grade that enabled it to remain relevant, servicing major packaging companies. The Company's distribution network translated into partnerships with major players.

During the year under review, steel products revenue contributed 70.48% of the total revenue, up from 36.79% in the year FY22.

### Outlook

The Company is optimistic of India's economic growth complemented by a growth in its infrastructure and steel sectors. The Company perceives an opportunity to address foreign markets experiencing disturbances and plant closures. The Company aims to service customers and deliver quality products on schedule.

The aluminium market reflects substantial potential for growth, driven by its inherent barrier capabilities and recyclable nature. The battery aluminium foil market, in particular, is experiencing significant growth due to the increasing demand for electronics. In the light of these trends, the Company intends to supply quality material, exporting to the US and Europe and implementing a zone-wise and

product-wise sales monitoring approach. By ensuring that customer requirements are met and the highest quality standards are maintained, the Company aims to expand its aluminium foil market share.

Our business segment

# Iron pellets



**4.8 MTPA**

Total production capacity

**1045.78**

₹ Crore, revenue from iron pellets business in FY 2022-23

**8.29**

% share of iron pellets business in total revenue in FY 2022-23

## Overview

Iron pellets, a type of agglomerated iron ores fines, exhibit a superior tumbler index compared to the parent iron ore. They serve as a viable substitute for lump ore in the production of sponge iron and in blast furnaces for hot metal production. Our pellets deliver a cold crushing strength (CCS) of 210+ and a porosity of 24+, ensuring grade maintenance in DRI fem -80+. With a mean particle size (MPS) of approximately 9.5-10, they assist in reducing the use of oxygen in kilns and maintaining grade consistency.

In addition to utilizing pellets as inputs for our finished products, we offer them for sale in Chhattisgarh, Jharkhand, Maharashtra, Odisha and West Bengal.

## Outlook

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 could lead to a rise in pellets demand in the coming years. Pellet demand is expected to clock a CAGR of 7-8% until 2028, with an increase in BOF and EAF/Induction Furnace (IF) capacities in India. In the long term, demand for finished steel could increase and India could become a net exporter of steel, resulting in a higher domestic demand for pellets.



## Our business segment

# Sponge iron



## 2.30 MTPA

Total production capacity

## 1911.30

₹ Crore, revenue from sponge iron business in FY 2022-23

## 15.16

% share of sponge iron business in total revenue in FY 2022-23

### Overview

Sponge iron, a porous iron mass, is produced by directly reducing iron ore/pellets in the solid state, eliminating oxygen. It serves as a substitute for scrap and finds extensive use in the production of steel through the secondary route, as well as various steel items like TMT re-bars and D pipes. As the fourth largest sponge iron manufacturer in India, we supply our intermediate product nationwide. Our sponge iron is available in Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Meghalaya, Rajasthan, West Bengal and Uttarakhand.

### Outlook

India is the largest sponge iron producer globally with an annual production of 43.56 MT in the year 2023. Sponge Iron output is expected to moderate at a CAGR of 1.5 to 2.5% during the period 2023-2028. There are few factors that could continue to impact sponge iron production: likely rising competition from large players, price differential over substitutes, weak financial position of players and de-carbonization.

Our business segment

# Billets



Approximately  
**1.70 MTPA**  
Total production capacity

**988.96**  
₹ Crore, revenue from billets  
business in FY 2022-23

**7.84**  
%, share of billets business  
in total revenue in  
FY 2022-23

## Overview

Billets are commonly cast into rectangular or square cross-sections, specifically designed for secondary processing. They are created through continuous casting, extrusion, or hot rolling of ingots or blooms. These billets serve as a raw material for manufacturing TMT bars and structural products. In addition to utilizing billets as inputs for our finished products, we also sell them as intermediate products in Chhattisgarh, Maharashtra, Punjab, Rajasthan and Uttar Pradesh. We also export billets to Bangladesh and Nepal.

## Outlook

Billet consumption has largely moved in conjunction with long steel production at 5% CAGR during the financial period 2018-23. We expect India's billet consumption to rise at 5-5.50% CAGR until 2028, led by strong growth in the building and construction sector, infrastructure development, rising demand for commercial vehicles and passenger transport services.

## Our business segment

# Ferro alloys



Approximately

## 0.22 MTPA

Total production capacity

## 1820.88

₹ Crore, revenue from ferro alloys business in FY 2022-23

## 14.44

% share of ferro alloys business in total revenue in FY 2022-23

## Overview

Ferro alloys refer to various alloys of iron with a high proportion of one or more. Other elements like manganese, aluminium or silicon impart distinctive qualities to steel and cast iron or serve important functions during production. At a Group level, we are India's largest manufacturer of ferro alloys and we produce ferro chrome, ferro manganese, ferro silicon and silicon manganese. These are used as raw materials for the manufacture of stainless-steel products.

We sell ferro alloys of various grades as well as specialized ferro alloys (low and medium carbon) to steel companies in Haryana, Jharkhand, Karnataka, Odisha, Rajasthan and Uttar Pradesh, along with exporting them to Indonesia, Japan, New

Zealand, South Korea, Taiwan, Thailand and United Kingdom.

## Outlook

The ferro chrome demand is expected to increase at a CAGR of 7-8% during the financial 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 and construction and consumables segment. The ferro chrome market is anticipated to grow over the next five years to reach 940-980 KT by the year 2028, as new stainless steel capacity expansions are expected to be operational in the coming years.

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 financial period 2018-23, India maintained an average utilization of 51% with capacity of 3.36 MT during the financial 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 ferro manganese manufacturing capacity is expected to reach 4.20 MT in the year 2028 with an annual production of 2.2-2.7 MT to be made at a utilization level of 60%.

Our business segment

# Wire rods



Approximately  
**0.92 MTPA**  
Total production capacity

**2,930.71**  
₹ Crore, revenue from wire rods business in FY 2022-23

**23.24**  
%, share of wire rods business in total revenue in FY 2022-23

## Overview

We efficiently and cost-effectively produce high-quality wire rods and HB wire at our Jamuria and Sambalpur plants. Our success is attributed to the availability of superior technology and in-house manufacturing of all necessary raw materials, including power, sponge iron, pellets, ferro alloys and billets.

## Outlook

The production of wire rods done by ISPs have increased from 2.6 MT in the year 2019 to 3.8 MT in the year 2023, clocking a 9.7% CAGR, while also increasing its share from 49% in the year 2019 to 51% in the year 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 at Kalinganagar plant, a combined expansion of its bars, wire rods and structurals capacities.

## Our business segment

# Aluminium foil



Approximately

## 0.04 MTPA\*

Total production capacity

## 416.36

₹ Crore, revenue from aluminium foil business in FY 2022-23

## 3.30

%, share of aluminium foil business in total revenue in FY 2022-23

### Overview

Our world-class aluminium foil plant utilizes PEB technology in collaboration with Germany's Achenbach company. It focuses on renewable energy with rooftop solar panels, maintaining contamination-free production and undergoing regular audits. We manufacture aluminium directly from ore, adhering to TQM principles and complying with ISO 22000 (domestic) and ISO 15378 integrated with ISO 9001 (international) for FSMS and GMP standards.

Our aluminium products are marketed domestically and exported to developed countries, while strictly adhering to EHS, pollution control and legal regulations in our operational areas.

### Outlook

Overall aluminium demand, which is estimated to have grown by around 16% in 2023, is expected to grow by another 6-8% in the year 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 the year 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. Looking ahead, the share of secondary aluminium is expected to grow to 48-50% by 2028 owing to better scrap collection in the domestic market and an increase in the quality of scrap in the domestic market.

Our business segment

# Structural steel



Approximately  
**0.21 MTPA**  
Total production capacity

**1,113.58**  
₹ Crore, revenue from  
structural steel business in  
FY 2022-23

**8.83**  
%, share of structural steel  
business in total revenue in  
FY 2022-23

## Overview

Our heavy structural steel products, marketed as SEL, include hot rolled special form items like beams, channels, angles, flats, rounds and window sections. They provide flexibility for designers and cost-effective options for project owners, adding strength and shape to buildings, bridges, line towers and industrial structures. Tapper washers enable simpler bolted connections, while high-tensile steel grades reduce steel tonnage.

Our light structural steel products, known as SEL Tiger grills and steels, combine aesthetics with strength, offering a superior steel range. This intricate manufacturing process allows for shaping into design.

## Outlook

The long steel demand is expected to grow by 6 to 7% CAGR driven by the government's focus on building infrastructure, robust rural and urban housing demand and increased commercialization of Tier 3 and Tier 4 cities. Infrastructure demand has grown at a rapid pace over the last few years; overall steel demand in the longer run could be driven by roads and railways, which are focus areas and expected to see rapid growth in central government investments. Urban infrastructure demand could be driven by the metro rail construction, water supply and sanitation segments.

## Our business segment

# TMT Bars



Approximately  
**0.95 MTPA**  
Total production capacity

**1,943.14**  
₹ Crore, revenue from TMT  
bars business in FY 2022-23

**15.41**  
%, share of TMT Bars  
business in total revenue in  
FY 2022-23

## Overview

TMT rods are durable steel rods that are manufactured using contemporary metallurgy science. This cutting-edge technology exposes the steel to temperatures as high as 1100 degree celsius that leaves them with a tough outer area and a soft inner core – this makes the TMT bar strong but also flexible. The high strength of the TMT bars make them an ideal material to be used with concrete for making structures robust. They are fire resistant due to high thermal stability. Our TMT bars steel products, known as SEL Tiger TMT bars, combine aesthetics with strength, offering a superior steel range

## Outlook

The demand for TMT reinforcement bars registered 9.5% CAGR during the year 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 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.







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# Strategic initiatives

## IT initiatives

Automation	Data integration	Traffic management	Data analytics and AI
<ul style="list-style-type: none"> <li>Focus on high value activities</li> <li>Consistent presentation</li> <li>Real-time data logging</li> <li>Benchmarking and micro monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Easy access</li> <li>Data integrity</li> <li>Improved data reporting</li> <li>Continuous investment</li> </ul>	<ul style="list-style-type: none"> <li>Reduce TAT for vehicles</li> <li>Gate and weighbridge automation</li> <li>User enablement</li> </ul>	<ul style="list-style-type: none"> <li>Consistent availability</li> <li>Decision dashboards</li> <li>Maintain data and security standards</li> </ul>

## IT initiatives



# How we strengthened our talent platform in FY 2022-23

**Shyam Metals deepened its talent credentials, enhancing competitiveness**



## Overview

At Shyam Metals, talent management is critical to the Company's success and sustainability, translating into a different way of doing things. The Company's talent management comprised the following: employee training, talent onboarding, performance measurement, feedback management, recognition for outperformers, mentoring interventions and the development of organisational leaders.

**Opportunities**

The Company provided ample opportunities for employees to develop, grow and fulfil career aspirations.

**Philosophy**

The Company focused on the maxim - 'You matter the most,' affirming that people are its competitive edge

**Rethinking the employee value proposition**

The Company's HR team developed a holistic approach to address employee concerns and improve the overall experience. It redefined the Company's employee value proposition to meet those needs.

**Re-engaging the workforce**

The HR team improved employee engagement through feedback mechanism, recognition programs and wellness programs; it encouraged a two-way communication to understand employee perspectives

**Business-strengthening initiatives**

Shyam Metalics outlined an ambitious goal to emerge as a preferred employer, marked by diverse priorities:

**Retaining talent**

The HR team introduced benefits, recognition programs and wellness initiatives to enhance retention.

**Strengthening relationships**

The HR team trained managers communicate better and build stronger relationships, coupled with feedback mechanisms

**Promoting talent mobility**

The Company introduced training programs and skill-building initiatives to promote talent mobility within the organisation.

**Attracting talent**

The HR team reviewed recruitment, building a strong employer brand, improving candidate experience and leveraging the social media to reach a wider recruitable audience.

**Our people management strengths**

The Company's people strengths comprised the following:

**Competencies**

- The Company focused on technical and behavioral competencies.
- Technical competencies comprised job responsibilities and role effectiveness.
- Behavioral competencies comprised integrity, positivity, team building and motivation.

**Qualifications**

- The Company established formal competency criteria for job positions (qualifications and responsibilities)
- The Company welcomed experienced individuals and freshers, a balance of experience and youthfulness

**Passion**

- The Company organized cultural

programmes and sports events to enhance engagement

- The Company encouraged a work-life balance.
- The Company valued teamwork and collaboration
- The Company sought flexibility within team members

## HR initiatives, FY 2022-23

During FY 2022-23, the Company ensured a safe and healthy environment, introduced collaborative work platforms, training employees in digital interventions, embraced the advanced Human Capital Management system, engaged in coaching, resilience training and soft skills training, and deepened employee recognition and appreciation.

The evaluation of training programmed enabled learning and development professionals to identify competence gaps; the Company's vision and mission were aligned with training objectives. The Company evaluated the effectiveness of training in improving employee competence backed by training evaluation.

The Company emphasized the following with the objective to enhance organisational effectiveness: Systems thinking, personal commitment, vision clarity, alignment between the Company's mission with individual mental models and team learning.

The Company provides equal opportunities to employees, a merit-based approach to hiring and advancement

without regard to race, religion, language, or geographic origin. The policies are gender-neutral; the Company promotes knowledge sharing and responsiveness to employee feedback in the pursuit of continuous improvement.

The Company is committed to being an equal opportunity organisation and ensures that all employees are evaluated and compensated based on their performance using the same criteria, regardless of their gender. The Company adheres to a strict policy of equal pay for equal work, ensuring that men and women receive the same pay for roles and responsibilities of similar nature and importance.

The Company conducts periodic reviews of its compensation structure to ensure that it is up-to-date and in line with industry standards. In addition, Shyam compares its compensation structure with that of its peers to ensure that its salaries remain competitive in the marketplace.

The Company implemented a 'Talent retention program' that identified its scope and approach, defined retention strategies, implemented them and monitored outcomes.

The Company provided salaries and benefits in line with industry standards to attract and retain the best talent. It developed a benefits package that encompassed a range of benefits to support employee health and well-being. It offered opportunities for employee development to encourage growth and increase employee satisfaction. It showed appreciation for employee contributions through recognition programs and rewards. It deepened its culture in protecting its values and mission. Its monitored employee engagement, addressing burnout, well-being and productivity. It created a supportive work environment, offering programs that improved the work-life balance. Its promoted a high-performance culture by setting expectations and offering growth opportunities.

The Company emphasized functional competencies, conducting awareness programs on QMS/EMS to help employees prepare for digital technologies. The Company invested in workplace safety and health through training, selection of safe technologies and investment in safeguards.

## Big numbers

### Number of employees

FY 21	FY 22	FY 23
2,747	3,232	14,635

### Talent retention (%)

FY 21	FY 22	FY 23
87	86	88

### Average age

FY21	FY 22	FY23
34	35	35

### Person-hours spent in training

FY21	FY 22	FY23
22,837	29,621	36,405

### Health and safety – Incidents

FY21	FY 22	FY23
20	24	18

### Profile of employees as per education

Year	FY21	FY 22	FY23
Graduates	26	27	29
Masters	10	12	12
Engineers	25	29	30
MBA's	0.5	0.5	0.5
Chartered accountants	N.A	N.A	N.A

### Average remuneration (₹)

FY21	FY 22	FY23
22435	21431	25307

### Training expenditure (₹)

FY21	FY 22	FY23
3,89,016	5,09,828	5,71,424

### Employees by gender (%)

Year	FY21	FY 22	FY23
Male	99.14	99.28	99.23
Female	0.86	0.72	0.77

### Employees by tenure

Year	FY21	FY 22	FY23
More than 5 years (as % of total)	29	27	27

### Employees by age group (%)

Year	FY21	FY 22	FY23
Age group 22-35	62	59	61
Age group 36-45	26	32	27
Age group 46-60	12	9	12

Environment, Health and Safety

# How we are deepening our EHS commitment

## #1 Environment



At Shyam Metals, we recognize that we are engaged in a business that is sensitive to EHS considerations. The iron and steel industry's operations have significant impacts on the environment. The iron and steel industry is carbon-, water- and energy-intensive; these can, if unchecked, generate a substantial pollution load on the environment. The industry's operations - mining of ores, preparation of raw materials, agglomeration of fines, feeding of burden to the furnace, manufacturing of coke, conversion of iron to steel, making and shaping steel products and granulation of slag for use in other industries contribute to air, water, land/soil and noise pollution. During the process, large amounts of emissions consisting of dust (particulate matter), gaseous pollutants like SO<sub>2</sub>, NO<sub>x</sub>, etc., are generated, making it crucial to reduce air pollution. In view of this, the Company has integrated HSE principles into its practices.

At Shyam Metals, we believe that responsible environmental management can be business-strengthening in various ways.

**One**, it can reduce the Company's costs by minimising waste generation and optimising resource use (water and energy).

**Two**, environment management can enhance corporate reputation and improve engagements with stakeholders (customers, investors and regulatory agencies).

**Three**, it can ensure long-term sustainability by reducing negative environment outcomes, enduring business continuity.

### Our environment management approach

At Shyam Metals, our environment

management approach has comprised the 5R's approach (reduce, restore, recycle, renewable and replace), reflected in the following initiatives:

**Resource conservation:** Reduced consumption of coal, iron ore and water through optimized processes coupled with improved energy efficiency.

**Pollution control:** Minimized emissions and pollutants discharged through a proactive investment in pollution control technologies (scrubbers, filters and dust collectors).

**Waste management:** Collected, transported and disposed waste products by recycling and reusing materials; implementing proper hazardous waste disposal.

**Water conservation:** Reduced water use and wastewater discharge by implementing water-saving technologies

like closed-loop cooling systems; used water reuse programs and optimized processes to reduce wastewater generation.

**Energy conservation:** Minimized energy use by using alternative energy sources and implementing energy-saving technologies.

The Company's 'zero pollution and zero waste' commitment was achieved through a combination of these approaches.

**Our pollution reduction approaches**

**Air pollution:** The Company invested in electrostatic precipitators (ESPs) and bag filters to control PM10 and PM2.5 emissions to well within the standard limit. Complete combustion of CO in the ABC building was carried out and the resultant CO2 released into the atmosphere within the norms set by the Central Pollution Control Board (CPCB). The Company proposed the flue gas desulphurization technology and selective catalytic reduction technology to moderate SOx and NOx emissions, respectively.

The Company implemented the following strategies to reduce solid waste generation:

In the manufacture of DRI, solid waste

Dolochar was reused in the captive power plant as fuel.

In the steel melting shop, the metal recovered from slag was landfilled.

In the manufacture of ferro alloys, ferro manganese slag was used in the silico manganese process and silico manganese slag was recycled through a zigzag plant for metal recovery. After the TCLP test, the slag was landfilled.

In the captive power plant, fly ash was used as raw material for the manufacturing of fly ash bricks and consumed in in-house construction. The bottom ash was used in filling low-lying areas of Eastern coalfield Limited (ECL) and abandoned quarries.

In wastewater management, the Company reduced the generation of wastewater. Wastewater was also treated in the effluent treatment plant and reused in dust suppression. Domestic wastewater was processed through the sewage treatment plant and used in green belts.

**Proactive investments and outcomes**

The Company made significant investments in pollution reduction in five years. It implemented technologies to reduce pollution generation. These

comprised the installation of ESPs and bag filters; the Company invested in Flue Gas Desulphurization and Selective Catalytic Reduction technologies; it invested in wastewater and sewage treatment plants.

These investments have translated into positive outcomes.

**Particulate matter (PM):** The Company controlled PM within the standard limit of 30 mg/Nm3 through the use of ESP and bag filters and this trend is declining.

**SOx and NOx:** The Company's investment in technology helped moderate SOx and NOx emissions.

**Carbon monoxide:** The Company converted CO into CO2 and released it into the atmosphere as per CPCB norms, marked by declining CO generation.

**Solid:** The Company's solid waste management was marked by a declining trend in the generation of solid pollutants.

**Liquid:** The Company's water conservation resulted in declining liquid pollutants generation.

The Company has delivered well within permissible industry norms for each pollutant in the iron and steel industry, underlining its relevance across market conditions and cycles.

**Pollution reduction**



**Moderating resource consumption**

The Company consumed the following resources: iron ore lumps / fines, coal, manganese ore and quartz. The Company also consumes significant amounts of fresh water and electricity from the captive power plant and the state electricity grid. The resource consumption is monitored periodically and optimized.

The Company reduced resource consumption through the following strategies:

**Consumption standards:** The Company

set specific standards for coal use, including imported coal.

**Beneficiation process:** The Company implemented a beneficiation process to convert low Fe(T) iron into high Fe(T) iron.

**Renewable energy:** The Company installed LED lights and solar panels to moderate electricity consumption.

**Water conservation:** The Company implemented an effective wastewater management system to recycle wastewater for non-potable purposes (dust suppression and green belt irrigation).

**Our sustainability policies**

The Company implemented a range of policies to ensure sustainability and resource efficiency. These policies were directed at reducing the consumption of resources, preventing environmental damage and promoting the efficient use of scarce natural resources.

**Our key EHS policies**

At Shyam Metals, our business is driven by a complement of policies that have influenced our environment responsibility.

**Sustainability Policy:** This comprehensive policy guides all

operations and decision-making, directed at enhancing long-term stakeholder value while minimising environment impact.

**Environmental Policy:** The Company developed an Environment Management System (EMS) to prevent, mitigate and control environmental damage caused by its operations or players across its value chain. The EMS includes contingency plans and processes for managing environmental deviations.

**Industrial Policy:** The Company ensures that its manufacturing processes and technologies are resource-efficient and sustainable. This includes designing products that are sustainable and reducing waste generated during manufacture.

**Technology Development Policy:** The Company periodically reviews new

technology development, deployment and commercialisation. Social, ethical and environmental considerations are incorporated in decision-making.

**Efficient resource use**

The Company endeavours to use scarce natural resources efficiently and effectively.

**Waste-to-energy:** The Company uses flue hot gas generated from the Direct Reduced Iron (DRI) unit to produce power through Waste Heat Recovery Boilers (WHRB).

**Waste-to-value:** The Company converts Durocher waste during DRI manufacture into fuel for the CPP boiler. Fly ash from the CPP is used in fly ash bricks manufacture, reducing the consumption of conventional bricks while promoting resource efficiency.

**Monitoring:** The Company installed and commissioned four continuous ambient air quality monitoring stations connected with the Central Pollution Control Board (CPCB) server.

**Renewable energy:** The Company installed solar panels to generate renewable energy.

**Automation:** The Company installed a wheel washing system with automation to control dust spread and road dirt.

**Mist canon system:** The Company installed a mist canon system to control dust emissions.

**Reduce dispersal:** The Company installed a rain gun sprinkler system to reduce dust dispersal from unpaved roads.

## #2 Our safety commitment



At Shyam Metalics, we manage a range of hazardous processes, products and heat, enhancing safety risks for workers. At our company, we take safety management seriously; identifying potential hazards and mitigating their risks is crucial to our respect and business continuity.

These are some of the areas marked by physical risks in our business.

**Falls:** Steelwork involves working at

heights, uneven ground and obstructed walkways. Slips, trips and falls cause injuries. We take necessary precaution, including regular safety training and personal protective equipment, to minimize such risks.

**Heavy machinery:** Large equipment poses a safety hazard. We enforce strict safety protocols, such as regular maintenance, safety inspections and the use of personal protective equipment.

We implemented a system for responsible hazards identification, evaluation and control. We ensure that all equipment is periodically inspected and maintained to reduce the risk of failure. We provide hands-on training to ensure that our personnel understand and apply safety procedures. We encourage an open reporting culture where our personnel feel comfortable reporting hazards or incidents without the fear of retribution;



we ensure that our personnel remain vigilant and aware of potential hazards. We take measures to manage workplace stress and ensure that our personnel possess the necessary resources and support to manage stress. We ensure that our leaders set an example by following safety procedures, reporting hazards and incidents.

### Risk assessment

Our risk assessment involves identifying potential hazards and taking reasonable steps to prevent them.

**Awareness programmes:** We conduct awareness programs for employees to educate them on potential workplace hazards and their effective management.

**Audits:** We conduct monthly site audits to assess that safety measures are in place coupled with improvement areas (reports shared with relevant departments).

**Safety observations:** We encourage employees to report potential safety hazards; we implement corrective actions promptly.

**Training programs:** We conduct comprehensive training programs that educate employees about safety procedures and hazards management.

**Firefighting drills:** We conduct firefighting mock drills to prepare our employees. We procured a multipurpose fire tender and trained the team to handle such emergencies.

**Work permit system:** We implemented a work permit system to ensure that all jobs are done safely under safe conditions.

### Risk management initiatives

**Enunciated policy:** Our Occupational

health and safety (OH&S) policy outlines the Company's strategic direction - redefine the relationship between all individuals in the Company, emphasizing their roles in maintaining a safe and healthy work environment in accordance with established occupational health and safety standards.

**Importance within our strategic direction:** Our OHS practices aim to manage the health, safety, well-being and working capacity of our employees.

**Board focus and priority:** Our company prioritizes all aspects of workplace health and safety, with a focus on primary hazards prevention and zero accidents goal.

**Awareness building / communication:** We utilize various communication categories to build awareness and enhance communication, which includes verbal, electronic, printed, pictorial and social communication.

**Team composition:** We appointed safety captains and safety nodal officers in each division responsible for protecting and promoting workplace health.

**Team structure:** Our capable leadership oversees a team of trained safety professionals who are dedicated to their roles.

**Team engagement:** Our belief is that every employee should have a sense of ownership and investment in the corporate safety culture.

**Periodic reporting:** We conduct regular risk assessments; we implement measures to mitigate hazards; we conduct periodic safety committee meetings.

**Recruitment:** We ensure the recruitment

of qualified safety personnel; all contractors with over 100 workers need to appoint a qualified Safety Officer.

**Training:** We conduct regular safety and health training across levels; each employee undergoes the training at least a month.

**Mock drills:** Mock drills simulate a disaster to demonstrate how employees should react; conducted on-site, they cover all departments and are carried out throughout the year.

**Suitable infrastructure:** We make investments to improve roadways within the plant premises and conduct machine guarding in locations in accordance with audit recommendations.

**Safety Week:** During the Safety Week (March 4th to March 10th) we conduct safety-related activities - safety rally and flag march, safety quiz competitions, safety poster drawing, free medical health checks, best housekeeping audit and prize distribution.

**Documentation:** We record every accident, analyzing it to determine accident-free work hours. During the last five years, we moderated accidents despite increasing manpower.

### Certification

Our company has been certified for ISO 45001:2018, related to occupational health and safety - a globally recognized standard developed by national and international standards committees. The occupational health and safety management system in this standard is based on the Plan-Do-Check-Act (PDCA) approach, which emphasizes continuous improvement.

#### CASE STUDY

### Fire accident in one of our divisions

**Reality:** A division in our plant site experienced a fire incident.

**Challenges:** We discovered that flammable materials were present in the vicinity during hot work with no proximate fire hydrant system.

**Activity:** We removed flammable material from the vicinity during hot work; we installed a fire hydrant system and conducted mock drills and safety training.

**Outcome:** We reduced the risk of fire incidents, creating a safe workplace.

## #3 Our health commitment



Certain activities within our workplace can compromise the health of our employees, marked by exposure to heat, noise, dust, hazardous chemicals, machines and psychological stress. To protect employees, we implemented the use of sprinklers and water tankers to control heat and fire hazards; we used bag filters to control dust pollution and particulate matter; we employed earmuffs and ear plugs in high noise areas.

The health measures for blue and white collar employees comprised the following:

- Establishing of a fully equipped occupational health centre operational round the clock, manned by trained medical staff and doctor.
- Identifying and reporting workplace hazards to ensure a safe working environment.

- Implementing workplace safety programmes
- Providing proper safety training to employees
- Use of protective safety equipment
- Reporting of unsafe working conditions
- Practicing correct posture
- Reducing workplace stress
- Promoting regular breaks

The Company's equipped occupational health centre operates 24/7, staffed with trained medical personnel and doctor. Every department has first-aid boxes; the Company has two ambulances to respond to emergencies. Employees are covered under a group Medclaim insurance policy/ESI Scheme.

### Health protection measures

**Health checks:** The Company organizes free health check camps for employees. Qualified doctors offer advice and consultation.

**Training sessions:** External trainers train employees in healthy living; the sessions are held periodically.

We have set long-term goals to reduce healthcare overhead per employee. We believe in moving from emergency room visits for common ailments that can be tackled with better fitness. We evaluate the effectiveness of our health initiatives and analyze trends to gauge improvement areas. Our health indicators comprise the following: low absenteeism, high productivity, higher employee retention, low personal loans / salary advances for medical reasons and preventive care.

### Big numbers

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Water consumption (kwh) per unit of end product produced	39987 m3	41905 m3	58476 m3	55804 m3
<b>N.B: Considering TMT &amp; STRM as finished / end product</b>				
Water recycled in quantum terms	35988 m3	37714 m3	52628 m3	50223 m3

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Non-hazardous waste generated (tonnes)	(a) Mill scale 3636.2 Tons	(a) Mill scale 3809.56 Tons	(a) Mill scale 5316.07 Tons	(a) Mill scale 5073.15 Tons
	(b) Mill sludge 1090.56 Tons	(b) Mill sludge 1142.87 Tons	(b) Mill sludge 1594.82 Tons	(b) Mill sludge 1512.94 Tons

N.B: Solid waste is considered as non-hazardous waste. Types of solid waste considered in this scenario are (a) Mill scale and (b) Mill sludge.

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Non-hazardous waste (Kg per MT)	(a) Mill scale 3635209 Kg	(a) Mill scale 3809567 Kg	(a) Mill scale 5316074 Kg	(a) Mill scale 5073158 Kg
	(c) Mill sludge 1090562 Kg	(b) Mill sludge 1142870 Kg	(b) Mill sludge 1594822 Kg	(b) Mill sludge 1521947 Kg

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
COD (Kg per MT)	NA	NA	NA	NA

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
SO <sub>2</sub> emission (units)	410.19 mg / Nm <sup>3</sup>	324.12 mg / Nm <sup>3</sup>	287.73 mg / Nm <sup>3</sup>	250.33 mg / Nm <sup>3</sup>
NO <sub>x</sub> emission (units)	108.46 mg / Nm <sup>3</sup>	115.37 mg / Nm <sup>3</sup>	108.37 mg / Nm <sup>3</sup>	104 mg / Nm <sup>3</sup>
Trees total	2013	3150	4656	5121

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Power consumption (kwh) per unit of end product produced	141 KWH	158 KWH	116 KWH	102.52 KWH
Chemicals consumption (kwh) per unit of end product produced	110 LTR	121 LTR	136 LTR	157 LTR
Gas consumption (kwh) per unit of end product produced	NA	NA	NA	NA
Materials consumption (kwh) per unit of end product produced	MS Billet – 96333.05 Tons	MS Billet – 100953.53 Tons	MS Billet – 140875.65 Tons	Ms Billet – 134438.69 Tons

**N.B: M.S Billet is considered as a raw material for TMT and STRM**

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Power (kwh) per unit of end product produced	—	—	—	—

#### Captive energy

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
% of energy consumption generated from within	466490.031 MW (100 % consumption)	502397.006 MW (100 % consumption)	607789.67 MW (100 % consumption)	678294.11 MW (100 % consumption)

#### Resource consumption

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Quantum of green energy generated (million units)	NA	NA	NA	9504.60 MW

**N.B: In this scenario, solar power generation is considered.**

# Corporate social responsibility



## Vision

The Company's CSR vision comprises the following: 'To actively contribute to the social and economic development of the community in the state, where the Company operates, thereby building a better sustainable way of life for the weaker and socially backward, underprivileged section of the society and raising the country's Human Development Index.

## Overview

Shyam Metals is a responsible and sensitive corporate citizen. The Company is not only driven by the need to make the world a better place through the manufacture of a superior product but also through a widening prosperity circle. The Company's responsible citizenship is defined by a number of priorities: a commitment to make the world better; extend our prosperity to those not connected with the Company in any way; engage in social responsibility projects aligned with local priorities; partnering

specialized agencies who possess a terrain understanding; empower beneficiaries to assume control of their lives; engage in programmes relevant to grass-root existences; programmes based on need-assessment surveys; engagement directed by a defined CSR Policy and outcomes periodically tracked. The projects are implemented through Shyam Metals Foundation (established 2000), other companies undertaking similar projects/programmes.

## Activities undertaken in FY 2022-23

Covering 24 villages (17 Jamuria and 7 Mangalpur)

### 1. Social infrastructure projects



#### Education infrastructure

- Renovated an anganwadi centre /Integrated child development service (ICDS) centre
- Provided educational equipment
- Added the science stream in the government school building at Bahadurpur High School.

#### Community infrastructure

- Constructed three community halls in Dhasna, Chawkidanga and Mangalpur.
- Constructed two clubs in Bijayngar and Hizalgora and renovated one in Majipara at Mangalpur.
- Developed two grounds with seating arrangements in Jamuria and provided one high mast lights in the Baghtarnagar ground of the Mangalpur plant.
- Boundary wall of the polyclinic health center at Bijaynagar.
- Constructed one PCC road at Mahishburi
- Renovated 11 temples and constructed one temple.
- Developed two burning ghats at Dhasna and Chandipur.

### 2. Sehat (health)



#### Swasthya

- Run free mobile medical services in 21 villages
- Renovated one government health center with a plantation at Bahadurpur.
- Established 15 nutrition gardens in the surrounding villages of the plant area.
- Run homeo clinic centers in two villages.
- Provided safe drinking water through boring wells and water tankers

#### Swachata

- Constructed 32 toilets and bathrooms in four villages.
- Educated community members about water, sanitation, hygiene and breastfeeding benefits through six campaigns in three villages

#### Saazedari

- Training and capacity building of health worker/cadre development
- Partnerships with government departments for awareness programs, training and wall writing on informative messages
- Organized animal health camps with the animal husbandry department.

### 3. Skill development



#### Uday programme

- Run the computer training center for students
- Run three tuition classes in tribal villages
- Run the SSPL Football Academy for boys and girls

#### Kalpriksha

- Trained women to make garments
- Provided training in stitching uniforms for 65 SHGs members.
- Trained women in oyster mushroom cultivation

### 4. Sustainability



#### Water resource management

- Engaged in roof rainwater harvesting
- Constructed two ponds and renovated a pond in Bijaynagar

#### Environment

- Established street lights in Jamuria and Mangalpur tribal villages.
- Distributed jute bags instead of plastic bags.
- Developed a park, landscape and beautification work
- Planted 3000 saplings

#### Agriculture

- Provided certified seeds to farmers in four villages.
- Celebrated Women's Day, World Water Day and Environment Day with communities related to both plants.

## 5. Welfare



### Medical and marriage support

- Supported the marriages of women from poor families.
- Provided assistance to needy families.

### Blood donation and health camp

- Organized free health checks and blood donation camps.
- Organized free eye check camp; provided free spectacles and funded cataract operations.

### Clothes distribution

- Distributed sweaters and blankets to the old and children
- Provided dress materials on special occasions to the needy

### Fire services

- Provide fire management services to the community.

### Protection culture

- Provided financial assistance for the protection of art and culture.

### Collaboration with NGOs

**Helpage India:** Since April 2021, free mobile medical services were provided to 21 villages. In two years, 8767 patients were covered. Home services were provided to bedridden patients unable to walk to the clinic. The initiative also organized 21 health awareness programs following the guidelines of the World Health Organization.

**USHA International Limited:** An initiative was taken to train individuals in garment and bag making. As a result, women were trained to make garments and jute bags, earning around ₹3,000 monthly.

**Animal Husbandry Department, Jamuria block:** A vaccination cum awareness camp was organized across Bahadurpur and Hizalgora panchayatas to provide medical assistance to livestock. The camp provided information about lumpy disease to farmers, improving health and well-being.

### Big numbers

1,81,40,866

Expenses on CSR programmes in FY 23

75,435

Number of people who were impacted by CSR activities

650

Cattle vaccinated

# Board of Directors



**Mahabir Prasad Agarwal**

*Chairman*

The Non-Executive Chairman of the Company has been serving as a Director since 6th April, 2018. He is the founder of Shyam Metalics Group. He is an accomplished business leader and a first-generation entrepreneur. He has more than 50 years of experience in the steel and ferro alloys businesses. He had the foresight to lead the steel industry and SMEL in particular on a transformational journey, contributing significantly to the Company's growth. He has been participating in the CSR activities of the Companies i.e SMEL and its wholly owned subsidiary, Shyam Sel and Power Limited (SSPL).



**Brij Bhushan Agarwal**

*Vice-Chairman & Managing Director*

The Vice Chairman and Managing Director of the Company, he has been a Director since inception in December 2002. He is also a Director of the subsidiary Shyam Sel and Power Limited (SSPL) and has held the position since inception. He earned a Bachelor's degree in commerce from the University of Calcutta and has over thirty years of experience in the steel and ferro alloys industry. His responsibilities encompass a range of key areas within the Company, including strategic planning, business development, marketing, human resources and corporate affairs.



**Sanjay Kumar Agarwal**

*Joint Managing Director*

Sanjay Kumar Agarwal serves as the Joint Managing Director of the Company and has been a Director since the inception of the Company in December 2002. He holds a Bachelor's degree in Commerce with Honours from the University of Calcutta and has more than 17 years of experience in the steel and ferro alloys industry. His primary role is to manage the operations of manufacturing plants in Sambalpur, Jamuria and Mangalpur, with a focus on cost control, production efficiency and the competitive procurement of raw materials.



**Deepak Agarwal**

*Whole-time Director & CFO*

He is a Whole-Time Director & CFO of the Company, having joined the Board on July 14, 2014. He completed his Bachelor's degree in commerce with honours from the University of Calcutta and is also an associate member of the Institute of Company Secretaries of India. He has more than two decades of experience in the steel and ferro alloys industry and was previously associated with Shyam SEL and Power Limited. His role in the Company involves managing finance, risk management and corporate affairs for the Company and its subsidiaries.



**Dev Kumar Tiwari**

*Whole-time Director*

Dev Kumar Tiwari serves as a Whole-Time Director in our Company and has held the position since 10th April, 2009. He has a Bachelor's degree in arts (honours) from Bihar University, Muzaffarpur. Before being appointed as a Director, he worked as a mechanical engineer in our Subsidiary, SSPL, for seven years. With more than 23 years of experience in the steel and ferro alloys industry, he is responsible for overseeing project implementation and operations at the Sambalpur manufacturing plant.



**Ashok Kumar Jaiswal**

*Independent Director*

Mr. Ashok Kumar Jaiswal 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 from Banaras Hindu University. He is also a member of the Institute of Chartered Accountants of India. He has several years of experience in the finance sector and passed the Limited Insolvency Examination conducted by the Insolvency and Bankruptcy Board of India, constituted under the Insolvency and Bankruptcy Code, 2016.

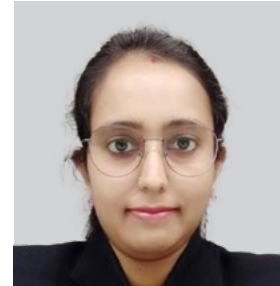



**Kishan Gopal Baldwa**
*Independent Director*

Mr. Kishan Gopal Baldwa is an Independent Director of the Company. He has been a Director of the 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 36 years and obtained a certificate of practise from the Institute of Chartered Accountants of India.


**Yudhvair Singh Jain**
*Independent Director*

Mr. Yudhvair Singh Jain is an Independent Director of the Company. He has been a Director of the 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.


**Rajni Mishra**
*Independent Woman Director*

Ms. Rajni Mishra is an Independent Director of the Company. She has been a Director of the 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 West Bengal University of Technology. She is also an associate of the Institute of Company Secretaries of India. She is also a Director on the Board of Directors of Shyam Steel Industries Limited and Elpee Commercial Limited.


**Nand Gopal Khaitan**
*Independent Director*

Mr. Nand Gopal Khaitan is an Independent Director of the Company. He is an Attorney-At-Law, Advocate and Notary Public, practicing in the Hon'ble High Court and the Hon'ble Supreme Court of India. Mr Khaitan is a Senior Partner of Khaitan & Co, one of the oldest (founded as early as 1911) and largest full-service law firms in India, having its offices in Kolkata, Mumbai, New Delhi and Bangalore. He is also a Notary Public appointed by the Government of India. He is a member of Incorporated Law Society of Kolkata and Bar Council of West Bengal.

# Corporate Information

(CIN No. L40101WB2002PLC095491)

## BOARD OF DIRECTORS

### MR. MAHABIR PRASAD AGARWAL

Chairman

### MR. BRIJ BHUSHAN AGARWAL

Vice Chairman & Managing Director

### MR. SANJAY KUMAR AGARWAL

Joint Managing Director

### MR. DEEPAK AGARWAL

Whole-time Director

### MR. DEV KUMAR TIWARI

Whole-time Director

### MR. BHAGWAN SHAW (Resigned with effect from 09.11.2022)

Whole-time Director

### MR. VENKATA KRISHNA NAGESWARA RAO MAJJI

(Resigned with effect from 14.02.2023), Independent Director

### MR. ASHOK KUMAR JAISWAL

Independent Director

### MR. YUDHVIR SINGH JAIN

Independent Director

### MR. AJAY CHOUDHURY (Resigned with effect from 14.02.2023)

Independent Director

### MR. KISHAN GOPAL BALDWA

Independent Director

### MS. RAJNI MISHRA

Independent Director

### MR. NAND GOPAL KHAITAN (Appointed with effect from 14.02.2023)

Independent Director

### MR. MALAY KUMAR DE (Appointed with effect from 27.07.2023)

Independent Director

## CHIEF FINANCIAL OFFICER

### MR. SHREE KUMAR DUJARI (Till 08.11.2022)

### MR. DEEPAK AGARWAL (with effect from 05.05.2023)

## COMPANY SECRETARY

Mr. BIRENDRA KUMAR JAIN

## STATUTORY AUDITORS

### S K Agrawal & Co. Chartered accountants LLP (till 27.07.2023)

Chartered Accountants

Suit No. 606-608

The Chambers, Opp. Gitanjali Stadium

1865, Rajdanga Main Road, Kasba, Kolkata -700 107

### MSKA & Associates (w.e.f. 28.07.2023)

Chartered Accountants

Floor 4, Duckback House

41, Shakespeare Sarani, Kolkata - 700017, India

## SECRETARIAL AUDITORS

### MKB & Associates

Practicing Company Secretary

Shantiniketan Building, 5th Floor, Room No. 515,

8 Camac Street, Kolkata - 700017

## COST AUDITORS

### M/s. Abhimanyu Nayak & Associates

Cost Accountants

102 – Banerjee Para Road, ILA Apartment

Kolkata – 700041

## REGISTERED OFFICE

“Trinity Tower” 7th Floor

83, Topsia Road, Kolkata -700 046

Tel No.: +91 33 4016 4080

Email: Compliance@shyamgroup.com

## CORPORATE OFFICE

“Viswakarma”

86C, Topsia Road, Kolkata -700 046

Tel No.: +91 33 4011 3000

Email: Compliance@shyamgroup.com

## PLANT

Village: Pandloi, PO: Lapanga

Dist.: Sambalpur, Pin: 768212 (Odisha)

## REGISTRAR AND TRANSFER AGENT

### KFin Technologies Ltd.

Selenium Tower ‘B’, Plot No. 31 & 32, Financial District,

Nanakramguda, Hyderabad -500032

Tel No.: +91 040 6716 2222

Email: einward.ris@kfinotech.com

## BANKERS

State Bank of India

Axis Bank Limited

ICICI Bank Limited

HDFC Bank Limited

YES Bank Limited

IDFC First Bank Limited

Bank of Baroda

UCO Bank

Punjab National Bank

Indian Bank

# Management discussion and analysis

## Global economy

### Overview

The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices decreased

about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

The global equities, bonds and crypto assets reported an aggregated value drawdown of USD26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4%

to USD 55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity: these fell 15% to USD 36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR(Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

### Performance of major economies

#### United States:

Reported GDP growth of 2.1% compared to 5.9% in 2021

#### China: GDP growth

was 3% in 2022 compared to 8.1% in 2021

#### United Kingdom:

GDP grew by 4.1% in 2022 compared to 7.6% in 2021

#### Japan: GDP grew

1.7% in 2022 compared to 1.6% in 2021

#### Germany: GDP grew

1.8% compared to 2.6% in 2021

(Source: PWC report, EY report, IMF data, OECD data)

### Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK and South Korea are not in a

recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession and significant developments, including China's progressive departure from its strict zero-Covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation,

the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

## Indian economy

### Overview

Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a

sluggish equity market. India's economic growth is estimated at 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-

largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

### Growth of the Indian economy

Regional growth (%)	FY 20	FY 21	FY 22	FY23
Real GDP growth (%)	3.7	-6.6%	8.7	7.2

### Growth of the Indian economy quarter by quarter, FY 2022-23

Regional growth (%)	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY2023-24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 million metric tons (MMT) in FY 2022-23 from 107 MMT in the preceding year. Rice production at 132 million metric tons (MMT) was almost at par with the previous year. Pulses acreage grew to 31 million hectares from 28 million hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 Lakh hectares in FY 2021-22 to 109.84 Lakh hectares in FY 2022-23.

India's auto industry grew 21% in FY 2022-23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 million units in FY 2022-23, crossing 3.2 million units in FY 2018-19. The commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

Till the end of Q3 FY 2022-23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY 2022-23 was expected to be 4.2% and a further drop is predicted to 3.8% in FY 2023-24.

As India's domestic demand remained steady amidst a global slowdown, import

growth in FY 2022-23 was estimated at 16.5% to USD 714 billion as against USD 613 billion in FY 2021-22. India's merchandise exports were up 6% to USD 447 billion in FY 2022-23. India's total exports (merchandise and services) in FY 2022-23 grew 14% to a record of USD 775 billion in FY 2022-23 and is expected to touch USD 900 billion in FY 2023-24. Till Q3 FY 2022-23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to USD 18.2 billion, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ ₹17.55 Lakh Crore and 6.4% of GDP for the year ending 31st March, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from USD 74.01 billion in 2021 to a record USD 84.8 billion in 2021-22, a 14% Y-o-Y increase, till Q3 FY 2022-23. India recorded a robust USD 36.75 billion of FDI. In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (₹50,000 Crore against a target of ₹65,000 Crore).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately USD70 billion in 2022, primarily influenced by rising inflation and

interest rates. Starting from USD606.47 billion on 1st April, 2022, reserves decreased to USD578.44 billion by 31st March, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹75.91 to a US dollar to ₹82.34 by 31st March, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY 2022-23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4% in 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8%.

In FY 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1% Y-o-Y in RE 2022-23.

The total gross collection for FY 2022-23 was ₹18.10 Lakh Crore, an average of ₹1.51 Lakh a month and up 22% from FY 2021-22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹1.6 Lakh Crore. For FY 2022-23, the government collected ₹16.61 Lakh Crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6% more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹172,000 during the year under review, a rise of 15.8% over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of USD 2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3% in FY 2022-23.

#### Outlook

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5% in April 2023. India is expected to grow around 6-6.5% (as per various sources) in FY 2023-24, catalyzed in no small measure by the government's 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments

could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in FY 2022-23 was 10,993 Km; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 Km in the last financial year (Source: IMF).

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyze the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity.

According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions and slowing external demand.

#### Union Budget FY 2023-24 provisions

The Budget FY 2022-23 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to ₹10 Lakh Crore, equivalent to 3.3% of GDP and almost three times the 2019-20 outlay, through various projects like PM Gati Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of ₹5.94 Lakh Crore was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly ₹20,000 Crore was made for the PM Gati Shakti National Master Plan to catalyze the infrastructure sector. An outlay of ₹1.97 Lakh Crore was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY24 by 16-21% to 12,000-12,500 Km. The overall road construction project pipeline remains robust at 55,000 Km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services.

## Global steel industry overview

In 2023, it was previously predicted that steel demand would increase by 1% due to the expected slowdown in inflation, the end of credit tightening by central banks and the recovery of consumption and employment. However, due to the Chinese real estate market slowdown and strict COVID policies, demand for steel is expected to grow slower than anticipated. The real estate and infrastructure sector, which is the largest consumer of steel, is experiencing high debt and bankruptcy rates leading to a contraction in real

estate investment and price declines. The Chinese government introduced measures to support the real estate sector, but it is unclear whether these measures will be effective. Strict COVID policies are also expected to continue to weigh down on steel demand.

Global steel prices are expected to stabilize steel demand and could see further growth at a CAGR of 2.2% during the forecast period 2023-2024 to reach a capacity of 1881.4 Mt. On the price front,

global steel prices are set to stabilize in FY 2022-23 year-on-year, after falling over 40% to USD 570-590 per tonne in December 2022 from the early-April peaks of USD 1,000 per tonne on tepid steel demand. While China continued to be the largest global crude steel producer, there was moderate growth in steel production in countries such as India, Japan, USA, Germany and Brazil, amongst others, signifying a normalcy returning to operations.

### Total production of crude steel, 2022

China	10,17,959	South Korea	65,846
India	1,25,377	Germany	36,849
Japan	89,227	Türkey	35,134
United States	80,535	Brazil	34,089
Russia	71,469	Iran	30,593

(source: worldsteel.org)

## Indian steel industry overview

In 2023, steel demand is expected to grow by 8% and the recent removal of export duties bodes well for the domestic steel industry to compete aggressively in the global market. However, the year 2022 was a mixed one for the domestic steel industry due to the impact of the Russia-Ukraine war on the global steel industry. While global steel prices fell, domestic prices also came down. On the other hand, the cost of input materials, especially coking coal, saw a steep price rise. Steel companies are planning to increase their capacities to meet the growing demand. While CPSEs are planning to add around 18 MT, private companies are likely to add around 95 MT and SSI (Secondary Steel Industry) around 33 MT capacity by 2030.

Despite the challenges of inflation, recession and energy crisis in Europe, the Indian steel industry has performed well

in 2022. India currently ranks as the world's second-largest producer of crude steel, with an output of 10.14 million tonnes (MT). The World Steel Association (WSA) has also predicted growth in the Indian steel sector, with a projected increase of 6.1% in 2022 and 6.7% in 2023.

Between January and November 2022, India produced 113.43 million tonnes of crude steel, representing a 10% increase compared to the same period last year. The Indian government aims to double the country's current annual crude steel production capacity from 150 MT to 300 MT.

To this end, the government introduced the Production Linked Incentive (PLI) scheme last year to increase the production of high-end alloy specialty steel. Special grade steel is used in a range of sectors, including power, shipping, railways and automobiles and its demand

is currently met through imports.

The government's focus will be on ensuring raw material security for steel production, as the country depends heavily on the import of raw materials such as coking coal. In FY22, India imported 57 MT of coking coal to produce 120 MT of crude steel.

In 2022, the government took various measures to support the steel industry, including removing export duties on steel items and extending export benefits under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to products of iron and steel for a specified period. In April-October 2022, finished steel imports stood at 3.151 MT, up 14.5% over the same period last year. The year-on-year increase in October was around 78%.

(Source: ibef.org, outlookindia.com)

## Government initiatives

The Indian government's initiatives to boost the domestic steel industry comprise the following:

- The government allowed 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route.
- The steel sector in India has shown positive production performance in the first eight months of the current fiscal year (April-November 2022). The domestic production of finished steel during this period was 78.090 million tonnes, an increase of 6.9% compared to the corresponding period last year.
- Domestic consumption during this period was at 75.340 million tonnes, which is 11.9% higher than the corresponding period last year.
- The domestic crude steel production was 81.96 million tonnes, showing an increase of 5.6% compared to the same period last year.
- The Indian Cabinet has approved a Production Linked Incentive (PLI) scheme

for domestic production of specialty steel with an outlay of ₹6,322 Crore.

- The scheme is expected to start in FY 2023-24 and the incentives will be released in FY 2024-25. As many as 67 applications from 30 companies have been selected under this scheme, which is expected to bring in a committed investment of ₹42,500 Crore. This will lead to a downstream capacity addition of 26 million tonnes with the potential to generate employment for 70,000 people.
- To address the high prices of crucial raw materials and intermediates, including iron and steel, the government made modifications in tariffs. The changes included reducing the import duty to zero for Anthracite/Pulverized Coal Injection (PCI) coal, Coke and Semi-coke and Ferro-Nickel.
- However, the export duty for iron ores/ concentrates and iron ore pellets was raised to 50% and 45% respectively. Additionally, pig iron and several steel

products were imposed with 15% export duty. These measures resulted in a decline of steel prices by approximately 15-25% across the board and stabilization of the market. However, the government rescinded the notification on 18.11.2022 and restored the status prior to 21.05.2022, taking into consideration the concerns of all stakeholders concerned.

- India's steel industry contributes 12% of the country's CO<sub>2</sub> emissions, with an emission intensity of 2.55 tonnes of CO<sub>2</sub> per tonne of crude steel (TCS), which is higher than the global average emission intensity of 1.85 TCS. India has committed to achieving net zero emissions by 2070 as part of its Glasgow commitments.
- The new Vehicle Scrapage Policy will help in decreasing steel prices since the policy facilitates recycling the materials used in old vehicles.

(Source: ibef.org, economicstimes.com, indiaindian.com, constructionweekonline.com, newsonair.com, pib.gov.in)

## Sectorial growth drivers

**Per capita consumption:** During the financial year 2022, the consumption of finished steel in India was 106 million tons (MT). The average per capita steel consumption in the world is about 233 Kg, whereas in India, it is approximately 77.2 Kg, which has increased by 50% in the last 8 years. This is one-third of the average per capita steel consumption in the world. (Source: pib.gov.in)

**Growing population:** India's population has surpassed China's and is estimated to be 1.41 billion as of 2022 end. Further, it is expected to reach 1.5 billion by 2030. (Source: livemint.com)

**Urbanisation:** By 2030, over 400 million people are expected to live in Indian

cities, which occupy only 3% of land but contribute 60% to the country's GDP. (Source: Indian.un.org)

**Government support:** In order to smoothen and expedite the numerous initiatives, all projects, whether greenfield or brownfield with costs greater than RS. 100 Crore per project, were identified, in the Harmonised Master List of Infrastructure and brought under the National Infrastructure Pipeline (NIP), with the focus to enhance project preparation and attract investments into infrastructure. With an initial authorized amount of ₹102 Lakh Crore (USD 1.4 trillion), NIP is anticipated for a period of five years till 2025.

**Demand for affordable housing:** The Indian affordable housing market is expected to grow 1.5x from ~ 25 million households in 2010 to 38 million in 2030.

**Infrastructure growth:** Growing steel applications especially in roofing, gates, parking space, false ceiling, etc. could catalyze steel-use in urban areas in the medium term. As a whole, the real estate sector will observe steel demand through a substantial rise in the intensity of steel in construction. Moreover, a steady pickup in the investment cycle and healthy growth in end-use could support aid from the industrial and commercial segments.

## Opportunities and threats

### Major opportunities in the steel sector

The Atmanirbhar Bharat program by the Indian government aims to enhance domestic manufacturing and this presents a promising chance for steel production and consumption in the country. The

production-linked incentive scheme is designed to encourage more steel production, which is expected to increase demand for special steel in sectors such as automobiles, consumer durables, solar equipment and telecommunications.

There are also opportunities in various sectors, including automotive, capital goods, infrastructure, airports, railways, power and more.

<b>Automotive</b>	The manufacturing industry in India makes up around 7.1% of the country's Gross Domestic Product (GDP) and nearly 49% of its manufacturing GDP. The automotive sector has a value of USD 222 billion, whereas the EV market in India is predicted to be worth only USD 2 billion by 2023 and USD 7.09 billion by 2025. The industry accounts for around 10% of the demand for steel in India. With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.
<b>Capital goods</b>	Around 11% of the overall steel consumption can be attributed to the capital goods industry, which is projected to witness a surge of 14-15% by the end of the fiscal year 2025-26. This sector has the potential to expand both in terms of tonnage and market share. It is anticipated that the capital expenditures of Indian companies will grow, which would create higher demand for steel.
<b>Infrastructure</b>	The infrastructure industry accounts for 9% of steel consumption, but it is predicted to rise to 11% by 2025-26. The increasing investment in infrastructure projects could lead to a surge in demand for steel products in the future. Approximately 70% of the country's infrastructure, valued at around ₹6 Lakh Crore (USD 89.50 billion), is yet to be constructed, indicating a significant potential for growth in the steel sector. The Ministry of Finance has introduced a NIP 2021 plan with an outlay of 111 Lakh Crore in the next 5 years, which includes various infrastructure sectors such as real estate and power.
<b>Railways</b>	Expansion of the Dedicated Rail Freight Corridor (DRFC) network is currently underway and it is expected to be further expanded in the near future to facilitate freight movement across the country. This expansion, along with the introduction of high-speed bullet trains, metro trains, gauge conversion, the establishment of new lines and electrification, will contribute to the growing demand for steel.
<b>Power</b>	The Indian government has set a target to achieve a capacity of 500 GW by the year 2030. Additionally, the recent launch of E20 fuel and a renewed focus on biofuels has created new investment opportunities in the energy sector. Furthermore, the development of waterways in India is being prioritized to promote greener cargo handling and encourage the use of water-based transport. This will lead to enhancement in both transmission and distribution capabilities, thereby raising steel demand from the sector.
<b>Telecom</b>	The Indian telecom industry is expected to expand by USD 12.5 billion every three years. India will require approximately 22 million skilled workers in 5G-centric technologies like Internet of Things (IoT), Artificial Intelligence (AI), robotics and cloud computing by 2025. The telecom connectivity across the country which will enhance the consumption of the steel Products.

## Government Policies

**National Steel Policy, 2017:** The National Steel Policy aims to increase India's per capita steel consumption from 77.2 Kg to 160 Kg within the next decade. To achieve this, the country's domestic crude steel capacity could also be doubled, reaching a target of 300 MTPA. This could create opportunities for significant growth among major Indian players in the steel industry, as both demand and regulations will drive domestic steel production.

**Scrap Recycling Policy, 2019:** This Policy plans to establish eco-friendly management systems that promote the

processing and recycling of ferrous scrap through well-organized and scientifically advanced metal scrapping centers throughout India. This will reduce India's reliance on imported scrap and promote self-sufficiency in the availability of scrap. This development is beneficial for steel manufacturers who prioritize producing steel using the electric arc furnace (EAF) method.

**Production linked Incentive (PLI) Scheme:** On 17th March, 2023, the Ministry of Steel signed 57 Memorandums of Understanding (MoUs) with 27

companies under the government's production-linked incentive scheme, specifically for specialty steel. These MoUs are expected to generate ₹30,000 Crore in new investments in the Indian specialty steel industry, resulting in approximately 50,000 to 55,000 new jobs and adding value to the steel sector. The PLI scheme for specialty steel was approved by the Union Cabinet on 22nd July, 2021, with a five-year budget of ₹6,322 Crore to promote manufacturing, attract capital investment, generate employment and promote technology upgrading in the



steel sector. This initiative is in line with the 'Make in India' policy to boost domestic manufacturing and reduce import bills. By sourcing specialty steel domestically and creating products for export, India aims to

address the demand gap in the market. The PLI scheme is expected to draw investments worth approximately ₹400 billion (USD 5.37 billion) and increase the capacity of specialty steel by 25 million

tonnes, from 18 MT in 2020-21 to 42 MT in 2026-27, while generating employment opportunities for over half a million people.

### Key obstacles faced by the Indian steel industry

**Finance:** The steel industry in India requires significant capital investment, with a cost of around ₹7,000 Crore needed to establish 1 tonne of steel-making capacity through the greenfield route. Given the high cost of finance in India compared to countries like China, Japan and Korea, the cost of borrowing for new steel capacity or expansion is also high. This can add up to USD 30-35 to the final cost of steel. Furthermore, the cyclical nature of steel demand means that investments in the sector can be eroded during a downturn. To achieve the ambitious goals set out in the National Steel Policy of doubling the steel capacity, financing capacity addition of 100-150 million tonnes will be the biggest challenge for the Indian steel industry. The policy document recognizes that financing the required additional investment of RS. 10 Lakh Crore will be the primary challenge.

**Logistics:** Transporting raw materials and finished steel in India is a challenging and costly task for most steel manufacturers due to the bulk nature of iron ore and coal. The transportation of these materials, which are necessary for steel production, to steel mills and demand centers is always arduous. For every 1 tonne of steel produced, roughly 3 tonnes of raw material needs to be transported. As India

aims to double its steel production in the next decade, the logistics requirements of the domestic steel industry could become difficult to manage without improvements in physical infrastructure, particularly by the Indian Railways.

**Raw materials:** India's iron ore and coal reserves are abundant, but it lacks coking coal reserves. The National Steel Policy aims to achieve a steel-making capacity of 300 million tonnes and 68% of it will be through the blast furnace route which requires coking coal. This means that around 200 million tonnes of steel will be produced using coking coal, requiring an annual consumption of about 180 million tonnes of coking coal. India largely relies on imports from Australia for its coking coal requirements. However, due to the unpredictability of the weather, there have been significant fluctuations in coking coal supply and prices. The Jharia coal fields in eastern India have enormous coal reserves estimated at 19.4 billion tonnes, which could potentially secure the coal requirement of the steel industry and encourage investment in the region. Therefore, if India is to consume 180 million tonnes of coking coal annually, around 60-65 million tonnes must come from domestic sources. The development of the Jharia fields is crucial to the growth aspirations of the Indian steel industry.

### Environment and energy consumption:

The Indian steel industry is facing challenges related to the environment and competitiveness. The industry is energy-intensive, leading to a higher carbon footprint and the second biggest consumer of energy globally. Using energy-efficient methods and the latest technologies can reduce production costs and improve competitiveness. However, the industry needs to continuously upgrade to energy-efficient technologies and invest in processes to reduce its carbon footprint. The Indian government has released draft environment guidelines that may become stricter in the future.

In addition to these challenges, there are two potential threats that could hamper the growth aspirations of the Indian steel industry. The first is global steel trade, with China being the largest steel producer, accounting for 53% of global production. Protectionist barriers put up by various nations against steel imports can make India a potential destination for displaced exports from countries like China, Japan and Korea. The second threat is digital disruption, which can challenge traditional business models and affect customer expectations. The steel industry needs to develop strategies to prepare for unexpected challenges and become more competitive through digital disruption.

### Risks and concerns

Risk is a crucial aspect of all businesses and must be managed to minimize its impact. The Company has identified, estimated and controlled risks across all its business verticals and activities, such as operations, finance and HR, leveraging its knowledge of the industry trends, competitors and policies. However, there are unpredictable challenges that may affect the industry's performance, such as

inflation, liquidity crunch, slower industrial growth, depreciating rupee, political instability and volatile commodity prices. Despite the Company's risk mitigation measures, these challenges can still have an impact. During FY 2022-23, the Company focused on value chain excellence, operational excellence, pandemic and crisis management, product mix enrichment, customer

centricity, sustainable initiatives, employee engagement, synergy and integration and leveraging IT and digital to sustain the most critical situation during the pandemic. The Company's priority is to implement long-term initiatives to manage liquidity robustly and optimize working capital while considering all risk parameters.

## Evaluation of financial performance based on operational performance

SMEL is a prominent steel producer in India, operating an integrated value-chain and located in West Bengal and Odisha. The Company specializes in the production of long steel products, structural products, ferro alloys and aluminium foil and also has its own captive power plant and railway siding. The Company has a strong track record of generating operating profits since its establishment in fiscal 2005, having

reported positive EBITDA figures every fiscal year. SMEL's products are distributed both domestically and globally, with exports being made to over 20 countries.

The Company's credit facilities has been affirmed with: AA/Stable credit rating for long-term banking facilities and A1+ for short-term banking facilities from Crisil. The outlook on the long-term rating remains stable.

- Total Income increased by 32.66% from ₹4,753.58 Crore to ₹6,306.20 Crore.

- Operating EBITDA decreased by 58.10% from ₹1,145.67 Crore to ₹479.99 Crore.

- Net Profit decreased by 170.97% from ₹810.27 Crore to ₹299.03 Crore.

## Brief standalone financial performance for FY 2022-23

(Amount in ₹ Crore)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Total income	6,306.20	4,753.58
Operating EBITDA	479.99	1,145.67
Interest and financial charges	37.79	8.96
Profit before tax	297.37	1,112.27
Tax expenses	-1.66	302
Net profit	299.03	810.27
Total Income	6,306.20	4,753.58

## Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022	% change
Debtor's turnover (in times)	37.52	23.09	63%
Return on Equity (%)	8	27	-70
Interest coverage ratio (in times)	368.28	246.92	49%
Current Ratio (in times)	1.52	2.35	-35%
Debt-equity ratio (in times)	0.10	0.05	102%
Operating profit margin (%)	8	25	-68%
Net profit margin (%)	5	17	-72%

## Internal control system and their adequacy

The Company's Board of Directors operates an extensive system of internal control. It includes the organisation's plans and policies to ensure orderly and efficient business conduct. The Board has also set-up appropriate processes to monitor the relevant external and internal risks. The Company follows a well-defined model of internal control system to deal efficiently and effectively with all the five components of Internal Control System, namely:

- Risk assessment.
- Control environment.
- Control activities.
- Information and communication.
- Monitoring the activities of the different levels of the organisation.

The Company's internal audit is carried out effectively, leading to an independent and systematic assessment of its data, records, performances and so on with

a pre-determined objective. It has the potential to be one of the most influential and value-added services available to the Board. It emphasizes on:

- Operational effectiveness and efficiency.
- Resource protection.
- Reliability of internal and external reporting.
- Compliance with applicable laws, regulations and internal policies.

Internal audit works as a catalyst for improving an organisation's effectiveness, thus providing insight and recommendations based on analysis and assessments of data and business processes. With its commitment to integrity and accountability, internal audit provides value to governing bodies and senior management as an objective source of independent advice.

The organisation promotes independent examination of its plans and the policies, subject to the overall control environment supervision by the Board Level Audit Committee. This leads to accountability and transparency of operations and promotes independent examination. During the year, the Company focused on encouraging independent decision making, documentation of shortcomings

of the various processes and departments and correction of the work processes. It is supplemented by well-documented policies, guidelines, procedures and regular reviews, which are carried out by the Independent Chartered Accountant Firm to conduct internal audit. The reports containing significant audit findings if any are submitted to the Company's management and its Audit Committee.

### Human resource

The Company values its human resources as its most important asset and focuses on their training, development and well-being in the workplace. The Management believes that business cannot expand without utilizing the potential of its

workforce. As of 31st March, 2023, the Company had 14,635 employees and it maintains a positive relationship with its staff. The safety of employees is of great importance to the Company and it ensures that safe work practices are

followed. The Board of Directors and the Management acknowledge the contributions of all employees towards the growth of the Company.

### Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain

assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence

of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

## SHYAM METALICS AND ENERGY LIMITED

CIN: L40101WB2002PLC095491

Regd. Off: Trinity Tower, 7th Floor, 83 Topsia Road, Kolkata-700 046,

Phone: 033-4016 4001, Fax: 033-4016 4025

website: [www.shyammetalics.com](http://www.shyammetalics.com), e-mail: [compliance@shyamgroup.com](mailto:compliance@shyamgroup.com)

### NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Notice is hereby given that the 21st (Twenty First) Annual General Meeting (AGM) of the Members of Shyam Metals and Energy Limited ("the Company") will be held on Thursday, 21st September, 2023 at 3:00 P.M. through Video Conferencing / Other Audio-Visual Means ("VC/OAVM"), to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated) of the Company for the financial year ended 31st March, 2023 together with the Director's Report and the Auditor's Report thereon.
2. To confirm Interim dividend @ 18% of ₹1.80/- per equity share of ₹10/- each on 2nd August, 2022 during FY 2022-23.
3. To appoint a Director in place of Mr. Sanjay Kumar Agarwal (DIN: 00232938) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. **Appointment of Statutory Auditor to fill the Casual Vacancy**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the appointment of M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), as Chartered Accountants of the Company for the Financial Year 2023-24 to fill the casual vacancy caused by the resignation of M/s. S K Agrawal & Co., Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 306033E/E300272), to hold office from 28th July, 2023 until the conclusion of Twenty First Annual General Meeting of the Company, on such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things

and to take all such steps as may be deemed necessary and incidental to give effect to the aforesaid resolution."

#### 5. **Appointment of Statutory Auditors of the Company for a period of 5 (Five) consecutive years**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), be and is hereby appointed as the Statutory Auditors of the Company for a period of 5 (Five) consecutive years, to hold the office from the conclusion of 21st (Twenty First) Annual General Meeting until the conclusion of 26th (Twenty Sixth) Annual General Meeting of the Company and on such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be deemed necessary and incidental to give effect to the aforesaid resolution."

#### SPECIAL BUSINESS:

#### 6. **Ratification of remuneration of Cost Auditor of the Company**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹50,000/- (Fifty Thousand Only) plus applicable taxes and reimbursement of actual out of pocket expenses to be paid to M/s. Abhimanyu Nayak & Associates, Cost Accountants (FRN: 101052), Cost Auditors of the Company, for the financial year 2023-24, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified."

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be deemed necessary and incidental to give effect to the aforesaid resolution.”

**7. Appointment of Mr. Malay Kumar De (DIN 00117655) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Listing Regulations”) [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Malay Kumar De (DIN: 00117655), who was appointed as an Additional Director in the capacity of an Independent Director with effect from 27th July, 2023, and he meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years w.e.f 27th July, 2023 till 26th July, 2028, and that he shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be deemed necessary and incidental to give effect to the aforesaid resolution.”

**8. Appointment of Mr. Shashi Kumar (DIN 00116600) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Listing Regulations”) [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Shashi Kumar (DIN: 00116600), be and is hereby appointed as an Independent Director of the Company with effect from 21st September, 2023, and he meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed

as an Independent Director of the Company for a period of 5 (five) years w.e.f 21st September, 2023 till 20th September, 2028, and approval be and is hereby also accorded pursuant to Regulation 17(1A) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, for his appointment as an Independent Director as he attains the age of 75 years at the time of his appointment as an Independent Director of the Company as aforesaid and that he shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be deemed necessary and incidental to give effect to the aforesaid resolution.”

**9. Amendment/Modification in the SMEL Employees Stock Incentive Plan - 2023**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the applicable Rules framed thereunder, including any amendment thereto or re-enactment thereof and including any regulations, guidelines, circulars and notifications issued thereunder and subject to such other approvals, consents, permissions and/or sanctions as may be required from any appropriate regulatory or statutory authority/institution or body and subject to such terms and conditions as may be prescribed/imposed by any of them, the consent of the Members of the Company be and is hereby accorded for amending/modifying the ‘SMEL Employees Stock Incentive Plan - 2023’ (hereinafter referred to as the “ESIP - 2023”), terms of amendment whereof is set out in the Explanatory Statement, annexed to the Notice convening this Meeting.”

**“RESOLVED FURTHER THAT** it is hereby noted that the terms of amendments/modifications are not prejudicial to the interests of the option holders.”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above the Board or any Committee of Board or any other authority designated by the Board be and is hereby authorised to administer, superintend and implement the Scheme, in its absolute discretion and to settle all questions, difficulties or doubts that may arise in relation to the implementation and formulation of the Scheme without being required to seek further shareholders’ approval.”

**“RESOLVED FURTHER THAT** the Board or any other authority delegated by Board, be and is hereby authorised to make further modifications, changes, variations, alterations or revisions in the Scheme, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme, from time to time, in conformity with the provisions of the Act and other applicable rules, regulations, guidelines and laws, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted stock options under the Scheme.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be deemed necessary and incidental to give effect to the aforesaid resolution.”

#### 10. Authorization under section 185 of the Companies Act, 2013

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in accordance with Memorandum and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan(s) and/or to give any guarantee(s) and/or to provide any security(ies) in connection with any Financial Assistance/Loan taken/to be taken/availed/to be availed by any entity which is a Subsidiary/ Associate/Joint Venture or such other entity/person as specified under Section 185 of the Companies Act, 2013 and more specifically to such other entity/person as the Board of the Directors in its absolute discretion deems fit and beneficial and in the best interest of the Company (hereinafter commonly known as the Entities); all together with in whom or in which any of the Director of the Company from time to time is interested or deemed to be interested; provided that the aggregate limit of advancing loan and/or giving guarantee and/or providing any security to the Entities shall not at any time exceed the aggregate limit of ₹4500 Crores (Rupees Forty Five Hundred Crores Only).”

**“RESOLVED FURTHER THAT** the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities.”

**“RESOLVED FURTHER THAT** keeping the best interest of the Company in view, any approval accorded by the Board of Directors and shareholders of the Company under Section 185 of the Companies Act, 2013 under this resolution shall be in force till the period any amendment to the said resolution will be made by the Board of Directors and Shareholders thereof.”

**“RESOLVED FURTHER THAT** any Director(s) of the Company be and is/are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things as may be necessary, proper, expedient, or incidental to give effect to this resolution.”

#### 11. Authorization under section 186 of the Companies Act, 2013

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in accordance

with the Memorandum and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company for giving any loan to any person or body corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit from time to time which together with the loans, guarantee, security and investment given/provided/made by the Company, from time to time in one or more tranches, may exceed the aggregate permissible limit i.e. 60% of the paid-up capital of the Company and its free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, provided that the aggregate of such sum or sums of moneys shall not at any time exceed the aggregate limit of ₹4500 Crores (Rupees Forty Five Hundred Crores Only).”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of the Directors of the Company be and is hereby authorized to take from time to time all the decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to give corporate guarantee and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem necessary or appropriate or desirable including to settle any question, difficulty or doubt that may arise in respect of such investments / loans / guarantees / securities made or given or provided by the Company (as the case may be).”

#### 12. To consider and obtain fresh approval for raising of funds

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 23, Section 42, Section 62, Section 71, Section 179 and other applicable provisions of the Companies Act, 2013, read with the applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules and regulations made there under (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force) (“Act”), the provisions of the Memorandum of Association and the Articles of Association of the Company, all other applicable laws, rules and regulations, including the provisions of the Foreign Exchange Management Act, 1999 as amended and rules and regulations framed there under (including Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended), the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce, Government of India, as amended and the applicable rules and regulations made there under including applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR

Regulations”), the Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), Companies (Issue of Global Depository Receipts) Rules, 2014, the Depository Receipts Scheme, 2014, the Framework for issue of Depository Receipts notified by SEBI vide circular dated October 10, 2019, as amended, Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, the Securities and Exchange Board of India’s Framework for issue of Depository Receipts, as amended, and such other statutes, clarifications, rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India, the Ministry of Corporate Affairs (“MCA”), the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE”), NSE together with BSE, the (“Stock Exchanges”) where the equity shares of the Company of face value of ₹10 (Rupees ten only) each (“Equity Shares”) are listed, and any other appropriate authority under any other applicable laws and subject to all other approval(s), consent(s), permission(s) and/or sanction(s) as may be required from various regulatory and statutory authorities, including the Government of India, the RBI, SEBI, MCA and the Stock Exchanges (hereinafter singly or collectively referred to as “Appropriate Authorities”), and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, permission and sanction, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include any duly constituted committee thereof for the time being exercising the powers conferred by the Board) to create, issue, offer and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash, in one or more tranches, with or without green shoe option, whether Rupee denominated or denominated in Foreign Currency, for an aggregate amount of up to ₹3600 Crores (Rupees Three Thousand Six Hundred Crores Only), by way of one or more public and/or private offerings and/or on a preferential allotment basis and/or a qualified institutions placement (“QIP”) to “qualified institutional buyers” as defined in the SEBI ICDR Regulations, and / or any combination thereof, and/or any other permitted modes through issue of prospectus and/or an offer document and/or a private placement offer letter and/or placement document and/or such other documents/ writings/ circulars/ memorandum in such a manner, in such tranche or tranches, by way of an issue of Equity Shares or by way of an issue of any instrument or security including fully/partially convertible debentures or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for Equity Shares, issue of Global Depository Receipts (“GDR’s”), American Depository Receipts (“ADR’s”), or any other eligible

securities (instruments listed above collectively with the Equity Shares to be hereinafter referred to as the “Securities”) or any combination of Securities with or without premium, to be subscribed in Indian and /or any Foreign currencies by all eligible investors, including, residents or non-resident investors/ whether institutions, foreign portfolio investors and/or incorporated bodies and/ or trusts or otherwise/ qualified institutional buyers/ mutual funds/ promoters/ pension funds/ venture capital funds/ banks/ alternate investment funds/ Indian and/or multilateral financial institutions, insurance companies/ trusts/ stabilizing agents and any other category of persons or entities who are authorized to invest in the Securities of the Company as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and, whether or not such investors are members of the Company (collectively called “Investors”), to all or any of them, jointly or severally through a prospectus and/or an offer document and/or a private placement offer letter and/or placement document and/ or such other documents/ writings/ circulars/ memorandum in such a manner on such terms and conditions, considering the prevailing market conditions and other relevant factors wherever necessary in one or more tranche or tranches, at such price or prices, (whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable laws and regulations), with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company, and where necessary in consultation with the book running lead manager (s), global coordinator(s) and book running lead manager(s) and/or underwriters and/or stabilizing agent and/or other advisors or otherwise on such terms and conditions, including the security, rate of interest etc., issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be allotted on conversion/redemption/extinguishment of debt(s), rights attached to the warrants, terms of issue, period of conversion, fixing of record date or book closure terms, if any, as the Board may in its absolute discretion decide, in each case subject to applicable laws and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion and without requiring any further approval or consent from the members at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company so as to enable the Company to list on any stock exchange in India or overseas jurisdictions.”

**“RESOLVED FURTHER THAT** in case of issue and allotment of Securities by way of QIP in terms of Chapter VI of the

SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations):

- (i) The allotment of Securities shall only be made to qualified institutional buyers as defined in the SEBI ICDR Regulations ("QIBs");
- (ii) The Eligible Securities to be so created, offered, issued, and allotted, shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company;
- (iii) The allotment of the Eligible Securities, or any combination of the Eligible Securities as may be decided by the Board and subject to applicable laws, shall be completed within 365 days from the date of passing of the special resolution of the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations;
- (iv) The Equity Shares issued and allotted under the Issue or allotted upon conversion of the equity linked instruments issued in QIP shall rank pari-passu inter-se in all respects including with respect to entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Company in all respects;
- (v) The number and/or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of shares issue of equity shares by way of capitalization of profit or reserves, or any such capital or corporate restructuring;
- (vi) The Eligible Securities (excluding warrants) under the QIP shall be issued and allotted as fully paid-up securities;
- (vii) In the event Equity Shares are issued, the "relevant date" for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed issue of such Equity Shares, subsequent to the receipt of members' approval in terms of provisions of Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares;
- (viii) In the event that Eligible Securities issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities to be issued, shall be, either the date of the meeting which the Board or a committee of directors authorized by the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for Equity Shares, as decided by the Board;
- (ix) The tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment;
- (x) Issue of Eligible Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with Regulation 176(1) under Chapter VI of the SEBI ICDR Regulations ("QIP Floor Price") and applicable law. The Board may, however, at its absolute discretion in consultation with the book running lead managers, issue Eligible Securities at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the QIP Floor Price;
- (xi) No single allottee shall be allotted more than fifty per cent of the issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;
- (xii) No allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Company;
- (xiii) The Eligible Securities allotted in the QIP shall not be eligible for sale by the respective allottees, for a period of one year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations; and
- (xiv) Any subsequent QIP shall not be undertaken until the expiry of two weeks from the date of the prior QIP made pursuant to this special resolution."

**"RESOLVED FURTHER THAT** the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the Securities in the international market and may be governed by the applicable laws."

**"RESOLVED FURTHER THAT** in the event of issue of GDRs/ADRs, the pricing shall be determined in compliance with principles and provisions set out in Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme 1993, Companies (Issue of Global Depository Receipts) Rules, 2014, the Depository Receipts Scheme, 2014, the Framework for issue of Depository Receipts notified by SEBI vide circular dated October 10, 2019, as amended, and other applicable pricing provisions issued by the Ministry of Finance and other applicable laws, the Relevant Date for the purpose of pricing the Securities to be issued pursuant to such issue shall be the date of the meeting at which the Board decides to open such issue after passing of this Special Resolution. Preferential issuance and allotment of Securities (other than as issued and allotted to QIBs by way of QIP) shall be subject to the requirements prescribed under the Act and Chapter V of the SEBI ICDR Regulations and other applicable laws."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to enter into any arrangement with any agencies or bodies for the issue of GDRs and/or ADRs represented by underlying equity shares in the share capital of the



Company with such features and attributes as are prevalent in international/domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and/or international practice and regulations and under the norms and practices prevalent in the domestic/international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalization and approval of the offer document(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the proceeds as it may in its absolute discretion deem fit.”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorized, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed.”

**“RESOLVED FURTHER THAT** the Securities to be created, issued allotted and offered in terms of this resolution shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company and the fully paid-up Equity Shares that may be issued by the Company (including issuance of Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) shall rank pari-passu with the existing Equity Shares of the Company in all respects.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue, or allotment of Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose,

including without limitation, the determination of the nature of the issuance, terms and conditions for the issuance of Securities including the number of Securities that may be offered in domestic and/or international markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue/conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, opening and maintaining bank accounts, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalize, approve and issue any document(s) or agreements including but not limited to the placement document and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writing and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board, to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed, in all respects.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate (to the extent permitted by law) all or any of the powers conferred by this resolution herein, to any committee of directors formed, Directors or one or more executives/officers of the Company to give effect to the above resolutions, in accordance with applicable law.”

**By order of the Board  
For Shyam Metals & Energy Limited**

**Sd/-  
Birendra Kumar Jain**  
Company Secretary & Compliance Officer  
A8305

Place: Kolkata  
Date: 27th July, 2023

## NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 12 of the Notice, is annexed hereto. Further, the relevant details with respect to Item Nos. 3, 7 and 8 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
3. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Integrated Annual Report for FY 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories.  
  
The Company shall send the Physical Copy of the Annual Report for the F.Y 2022-23 only to those members who specifically request for the same by e-mail at: [compliance@shyamgroup.com](mailto:compliance@shyamgroup.com).  
  
Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circular, the Annual Report including Notice of the 21st AGM of the Company will also be available on the website of the Company at [www.shyammetals.com](http://www.shyammetals.com). The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of KFin Technologies Ltd. at [www.kfintech.com](http://www.kfintech.com) and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
4. For receiving all communication (including Annual Report) from the Company electronically:
  - a. Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by providing the details of folio number and attaching a self-attested copy of PAN card to KFin Technologies Ltd. at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - b. Members holding shares in dematerialized mode are requested to register/update their email addresses with the relevant Depository Participant.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
6. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to [raj@manojbanthia.com](mailto:raj@manojbanthia.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter, etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
  - a. For shares held in electronic form: to their Depository Participants (DPs)
  - b. For shares held in physical form: to the Company/ Registrar and Transfer Agents (RTA) in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. In the absence of any of the required documents in a folio, on or after October 1, 2023, the folio shall be frozen by the RTA. Intimation letters along with Business Reply Envelopes for furnishing the required details are being sent by the Company. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website [www.shyammetals.com](http://www.shyammetals.com).

8. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.shyammetalics.com](http://www.shyammetalics.com) and on the website of the Company's RTA, Kfin Technologies Limited at [www.kfintech.com](http://www.kfintech.com). It may be noted that any service request can be processed only after the folio is KYC Compliant.

9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.
10. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before September 20, 2023 through e-mail on [compliance@shyamgroup.com](mailto:compliance@shyamgroup.com). The same will be replied by the Company suitably.
11. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.
12. The Shareholders can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
13. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
14. The Notice is being sent to all the members of the Company, whose name appear in the Register of Members as on Friday, 18th August, 2023.
15. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a Company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend, if any. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (PAN)	10%* or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

\* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2023-24 does not exceed ₹5,000, and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to the conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%\*\* (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the shareholders, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax Authorities duly attested by the shareholders or details as prescribed under Rule 37BC of the Income-Tax Rules, 1962;
- Copy of the Tax Residency Certificate for financial year 2023-24 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders;
- Self-declaration in Form 10F;
- Self-declaration by the shareholders having no permanent establishment in India in accordance with the applicable tax treaty;
- Self-declaration of beneficial ownership by the non-resident shareholder;
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the shareholders;

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act at the rate of 20%\*\* (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

The aforementioned documents are required to be send at Company's email-id i.e. compliance @shyamgroup.com. Shareholders may write to [compliance@shyamgroup.com](mailto:compliance@shyamgroup.com) for any clarifications on this subject

TDS certificates in respect of tax deducted, if any, can be subsequently downloaded from the shareholder's portal. Shareholders can also check their tax credit in Form 26AS from the e-filing account at <https://www.incometax.gov.in/iec/foportal> or "View Your Tax Credit" on <https://www.tdscpc.gov.in>.

16. The Register of Members and the Share Transfer books of the Company will remain closed from **Friday, 15th September, 2023 to Thursday, 21st September, 2023 (both days inclusive)** for the purpose of 21st AGM.
17. In compliance with the provisions of Sections 108, 110 and other applicable provisions, if any, of the Act, read with the relevant rules made thereunder and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the Company is pleased to extend e-voting facility to its Members to enable them to cast their votes electronically. The Company has engaged the services of National Securities and Depositories Limited (NSDL) as the Agency to provide remote e-voting facility and e-voting facility at the AGM.
18. Further, in accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed **Thursday, 14th September, 2023** as the "**cut-off date**" to determine the eligibility to vote by remote e-voting or e-voting at the AGM. Only those people whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. **Thursday, 14th September, 2023**, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. A person who is not a member as on cut-off date should treat this Notice for information purpose only.
19. Only those Shareholders, who will be present at the AGM through VC/OAVM facility and who have not cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
20. The Board of Directors of the Company at their meeting held on **Thursday, 27th July, 2023** has appointed Mr. Raj Kumar

Banitha, (ACS 17190), Partner of M/s. MKB & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner. The Scrutinizer shall, after conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and shall make consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or person authorized by him in writing, who shall countersign the same and declare the result of the voting therewith. The Results shall be declared within two working days from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

21. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.shyammetals.com](http://www.shyammetals.com) and on the website of the service provider NSDL after the declaration of result by the Chairman or a person authorized by him in writing and also the same will be communicated to the National Stock Exchange of India Ltd. and BSE Limited.
22. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form are advised to file nomination in prescribed Form SH-13 with the Company's Registrar, M/s KFin Technologies Ltd. and in respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.
23. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Kfin Technologies Ltd are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialization and change in the address of the members may be communicated to the RTA.
24. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
25. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in name, address, email id, mobile no., PAN, Bank Mandates, demise of any member as soon as possible, etc. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
26. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under

Section 189 of the Companies Act, 2013 and other documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection by the members during the AGM. Members seeking to inspect the same can make a request to the Company through e-mail at [compliance@shyamgroup.com](mailto:compliance@shyamgroup.com).

27. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/transposition, deletion of name, etc.
28. The Securities and Exchange Board of India (SEBI) vide circular dated 20 April, 2018 has also mandated to obtain account details along with cancelled cheque to update the securities

holder's data. The original cancelled cheque shall bear the name of the securities holder failing which securities holder shall submit copy of bank passbook/statement attested by the bank. The respective DP's (Demat Holding) or the RTA (in case of Physical Holding) shall then update the bank details in its records after due verification. The unpaid dividend shall be paid via electronic bank transfer. In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment, are not available or the electronic payment instructions have failed or have been rejected by the bank, the issuer companies or their RTA may ask the banker to make payment through physical instrument such as banker's cheque or demand draft to such securities holder incorporating his bank account details. The Company before processing the request for payment of Unclaimed / Unpaid Dividend, has been in practice of obtaining necessary particulars of Bank Account of the Payee.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

### Item No. 4 & 5

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), at its meeting held on 27th July, 2023 approved the appointment of M/s. MSKA & Associates, Chartered Accountants as the Statutory Auditors to fill in the casual vacancy caused by the resignation of M/s. S K Agrawal & Co Chartered Accountants LLP, Chartered Accountants, effective from 28th July, 2023 till the conclusion of this AGM at a remuneration as decided by the Board of Directors of the Company based on the recommendation of the Audit Committee in consultation with the Auditors plus applicable taxes and reimbursement of out-of-pocket expenses incurred, if any, and recommended the same for the approval of the Members.

Further, the Board of Directors approved appointment of the M/s. MSKA & Associates, Chartered Accountants (FRN: 105047W), based on the recommendation of Audit Committee and pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 as Statutory Auditors of the Company to hold office for a period of five (5) years from the conclusion of 21st AGM till the conclusion of 26th AGM of the Company at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

M/s. MSKA & Associates, Chartered Accountants are eligible to be appointed as the Statutory Auditors of the Company and hence have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 of the Act and are not disqualified for appointment under Section 141 and other relevant provisions of the Act and the rules or regulations made thereunder. As confirmed to the Audit Committee, the Auditors have reported their independence

from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the ethical requirement relevant to the audit.

The Remuneration proposed to be paid to the Statutory Auditors during their term shall be commensurate with the services to be rendered by them during their said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, technical knowledge etc., and found to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 & 5 of the Notice.

The Board recommends this Resolution for your approval.

### Item No. 6

The Board on the recommendation of the Audit Committee, has approved the appointment of M/s. Abhimanyu Nayak and Associates, Cost Accountants (FR No. 101052), as the Cost Auditor in the Board Meeting held on 24th May, 2023 to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2024 at a remuneration of ₹50,000 (Rupees Fifty Thousand Only) and applicable taxes and reimbursement of out-of-pocket expenses incurred, if any.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

M/s. Abhimanyu Nayak & Associates, Cost Accountants, (FR No. 101052) have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

The Resolution as at Item no. 6 of the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends this Resolution for your approval.

### Item No. 7

Pursuant to Section 161 of the Companies Act, 2013, the Board, on 27th July, 2023, appointed Mr. Malay Kumar De (DIN 00117655) as an Additional Director in the capacity of Independent Director of the Company for a term of 5 (five) years with effect from 27th July, 2023 to 26th July, 2028 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The Company has received the following from Mr. Malay Kumar De:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules");
- (ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act;
- (iii) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the LODR Regulations;
- (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;
- (v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company;
- (vi) A declaration that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs.

The Company has received a notice in writing by a member proposing his candidature under Section 160 of the Act.

The Nomination and Remuneration Committee (NRC) had previously finalized the desired attributes for the selection of

the independent director(s). Based on those attributes, the NRC recommended the candidature of Mr. Malay Kumar De. In the opinion of the Board, Mr. De fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that Mr. De's skills, background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

The Board was satisfied that the appointment of Mr. De is justified due to the following reasons:

- Mr. De was Health Secretary of West Bengal and Home Secretary of West Bengal and also served as Chief Secretary of West Bengal. He was the Chairman and Managing Director of both the restructured utilities, namely West Bengal State Electricity Distribution Company Limited (WBSEDCL) and West Bengal State Electricity Transmission Company Limited (WBSETCL)
- He has been working as a professional and providing corporate advisory services including financial, strategic, HR, operations, regulatory and governance related matters to different corporates.
- He has extensive experience in Technology, ESG and Corporate Governance in key global markets.

A copy of the draft letter for the appointment of Mr. Malay Kumar De as an Independent Director setting out the terms and conditions is available for electronic inspection by the members during normal business hours on working days up to Thursday, 21st September, 2023.

The resolution seeks the approval of members for the appointment of Mr. De as an Independent Director of the Company for a term of 5 (five) years effective 27th July, 2023 to 26 July, 2028 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

In compliance with Section 149 read with Schedule IV to the Act and Regulation 25 of the LODR Regulations, the approval of the Members is sought for the appointment of Mr. Malay Kumar De as an Independent Director of the Company, as a special resolution.

No director, KMP or their relatives except Mr. De, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 6.

The Board recommends the special resolution as set out in Item no. 6 of this notice for the approval of members.

### Item No. 8

Pursuant to Section 161 of the Companies Act, 2013, the Board, on 27 July, 2023, recommended the appointment of Mr. Shashi Kumar (DIN 00116600) as an Independent Director of the Company for a term of 5 (five) years with effect from 21st September, 2023 to 20th September, 2028 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The Company has received the following from Mr. Shashi Kumar:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules");
- (ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act;
- (iii) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the LODR Regulations;
- (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;
- (v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company;
- (vi) A declaration that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs.

The Company has received a notice in writing by a member proposing his candidature under Section 160 of the Act.

The Nomination and Remuneration Committee (NRC) had previously finalized the desired attributes for the selection of the independent director(s). Based on those attributes, the NRC recommended the candidature of Mr. Shashi Kumar. In the opinion of the Board, Mr. Kumar fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that Mr. Kumar's skills, background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

The Board was satisfied that the appointment of Mr. Kumar is justified due to the following reasons:

- Mr. Shashi Kumar has rich experience in various fields, is a B.Sc. (Hons.) graduated in Mining Engineering from Indian School of Mines, Dhanbad.
- Mr. Shashi Kumar has been working as Advisor (Coal) to NTPC Ltd. IFFCO and Chhattisgarh Power Limited (a joint venture of IFFCO and the state of Chhattisgarh represented through CSEB)

A copy of the draft letter for the appointment of Mr. Shashi Kumar as an Independent Director setting out the terms and conditions is available for electronic inspection by the members during normal business hours on working days up to Thursday, 21st September, 2023.

The resolution seeks the approval of members for the appointment of Mr. Shashi Kumar as an Independent Director of the Company for a term of 5 (five) years effective 21st September, 2023 to 20th September, 2028 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

Further, Mr. Shashi Kumar is currently 76 years of age and therefore his appointment as an Independent Director of the Company requires prior approval of the Shareholders pursuant to the Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified on May 09, 2018, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect.

In compliance with Section 149 read with Schedule IV to the Act and Regulation 25 of the LODR Regulations and keeping in view, the vast expertise and knowledge, the Board considers that the appointment of Mr. Shashi Kumar would be of immense benefit to the Company even though he had cross the age of 75 years and it is desirable to avail services of Mr. Shashi Kumar, as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Shashi Kumar, as Independent Director, as a Special Resolution for approval of the Members.

No director, KMP or their relatives except Mr. Kumar, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 8.

The Board recommends the special resolution as set out in Item no. 8 of this notice for the approval of members.

#### Item No. 9

Shyam Metalics and energy Limited ("Company") at its meeting held on 24th May, 2023 has introduced an Employee Stock Option Plan namely SMEL Employee Stock Incentive Plan – 2023 ("ESIP - 2023") ("Scheme") subdivided into SMEL Performance ESOP Scheme (ESOP – 2023) and SMEL Loyalty ESPP Scheme (ESPP – 2023) to create, offer, issue and allot at any time to or for the benefit of the employees of the Company under the Scheme such number of stock options exercisable into equity shares, not exceeding 13,35,766 Equity Shares in aggregate, at such price and on such terms and conditions as may be fixed or determined by the Board or Nomination and Remuneration Committee of Board ("Committee"), as the case may be, in accordance with the provisions of law prevailing at that time. The same was approved by the members through Postal Ballot on 07th July, 2023. The Scheme is administered through the Shyam Metalics Employees Welfare Trust ("Trust").

The objective of the Scheme is to facilitate employee participation in the ownership of the Company by offering Equity Shares of the Company to Eligible Employees of Company. Further, the members are hereby informed that the Committee through the resolution at its meeting held on 27th July, 2023 amended

certain provisions of the ESIP - 2023 by substituting ESPP – 2023. Amendments made by the Committee has been approved by the Board in its meeting held on 27th July, 2023 and hence same being recommended to shareholders for their approval by passing Special Resolution for Item No. 9 set out in the Notice to the meeting.

Further, in terms of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, it is hereby confirmed that amendments

in the Scheme are not prejudicial to the interests of the option holders.

A full draft copy of the amended Scheme would be available for inspection, by the Members without any fee, at the Registered Office of the Company during normal business hours on any working day upto the date of meeting and during the continuance of meeting.

The mentioned changes in the Scheme will be applicable to all existing and future holders of employee stock option.

Particulars	Details
Brief Description of the Scheme	<p>The Scheme shall be called SMEL Employee Stock Incentive Plan – 2023 (<b>ESIP - 2023</b>) broadly divided into two categories as: i. SMEL Performance ESOP Scheme (<b>ESOP - 2023</b>) and ii. SMEL Loyalty ESOP Scheme (<b>ESOP II - 2023</b>) and shall be implemented through <b>Shyam Metalics Employees Welfare Trust</b> ('Trust') of the Company. It applies only to the Employees and Directors of the Company and its Subsidiaries, excluding Promoters &amp; members of Promoter group, Independent Directors and Directors holding more than 10% of Outstanding equity shares of the Company directly or indirectly.</p> <p>It shall be deemed to have come into force on the date of receipt of shareholders' approval. It shall continue in effect till all the Options granted under the Scheme are exercised or have been extinguished or unless the Scheme is terminated in accordance with the regulations.</p>
The Total No. of Stock Options to be Granted	<p>The total of 25,00,000 (Twenty Five Lakh) options would be available for being granted to eligible employees of the Company and its Subsidiaries under the said Scheme. Each option when exercised would be converted into one Equity share of ₹10/- each fully paid-up. Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation/termination of the employees or otherwise, would be available for being re-granted at a future date. Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021, require that in case of any corporate action(s) such as rights issues, bonus issues, split, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, the abovementioned limit of maximum number of options to be granted under the scheme shall automatically include within its ambit, such expansion or reduction as taken place on account of corporate action(s) including issue of bonus shares, split, rights issue, buy-back or scheme of arrangement.</p>
Identification of Classes of Employees entitled to participate in the Employees Stock Option Scheme	<p>All eligible Employees and Directors of the Company and its Subsidiaries excluding Promoters &amp; members of Promoter group, Independent Directors and Directors holding more than 10% of Outstanding equity shares of the Company directly or indirectly, as may be decided by the Board of Directors (hereinafter referred as 'the Board' which term shall include Nomination and Remuneration Committee from time to time and as permitted under law), would be entitled to be granted options under the Scheme.</p>
The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme	<p>The appraisal process for determining the eligibility of the employee will be specified by the Nomination and Remuneration Committee, and may be based on various criteria including role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Nomination and Remuneration Committee at its sole discretion, which would be final and binding.</p>
The requirement of vesting and period of vesting and the maximum period within which the options shall be vested	<p>The options would vest not earlier than 1 year and not later than five years from the date of grant of options. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics for each round of grant, on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest. The exact proportion in which and the exact period over which the options would vest would be determined by the Nomination and Remuneration Committee, subject to the minimum vesting period permitted under the regulations, as amended from time to time.</p>



Particulars	Details
The exercise price of the formula for arriving at the same	<p>Exercise Price is the price, payable by the employee for exercising the option. Pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company granting options to its employees pursuant to SMEL Employee Stock Incentive Plan - 2023 will have the freedom to determine the exercise price subject to conforming to the accounting policies specified in Regulation 15.</p> <p>Regulation 15 provides as below:</p> <ul style="list-style-type: none"> <li>Any company implementing any of the share-based schemes shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.</li> <li>Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the schemes covered under these regulations then the company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.</li> </ul> <p>Hence, the Exercise Price will be accordingly determined by the Nomination and Remuneration Committee and disclosed appropriately.</p> <p>Shareholders may kindly note that all the grants under the ESIP-2023 shall be at Market Price less 25% and 50% discount respectively for ESOP - 2023 and ESOP II - 2023.</p>
The exercise period and process of exercise	The Exercise period would commence from the date of vesting and will expire on completion of four years from the date of vesting of options. The options will be exercisable by the Employees by application to the Company/ Trust to exercise the options and/or in such manner, and/ or on execution of such documents, as may be prescribed by the Nomination and Remuneration Committee from time to time and upon payment of exercise money and/or tax as may be applicable. The options will lapse if not exercised within the specified exercise period.
Maximum number of options to be granted per employee and in aggregate	The maximum number of options that may be granted to any specific Employee in aggregate shall not exceed 25,00,000 (Twenty Five Lakh), being the maximum available under the scheme, subject to adjustment to the above number with regards to various corporate actions which the Company may come out with.
Maximum quantum of benefits to be provided per employee under a scheme(s)	No benefit other than grant of options is envisaged under the scheme. Maximum benefit shall accordingly refer to the maximum number of options that may be issued per employee.
Manner of Implementation and Administration of the Scheme	The Scheme will be implemented and administered through a Trust.
Category of Scheme(s) (involves new issue of shares by the company or secondary acquisition by the trust or both)	Secondary acquisition through Trust by way of diluting Promoters Shareholding.
The Amount of Loan to be provided for Implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.	The Company will provide Interest Free loan to the Trust in one or more tranches to purchase shares from Promoters of the Company in the pre-determined manner as approved by the Board. The tenure thereof will be 10 (Ten) years from the date of disbursement or such other period fixed by the Nomination and Remuneration Committee, in the best interest of the Trust and the Company. The funds so procured by the Shyam Metalics Employees Welfare Trust will be utilized, inter-alia, for acquisition of shares from the Promoters. The repayment terms shall be mutually determined by the Nomination and Remuneration Committee and the Independent Trustees.
Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purpose of the scheme(s);	<p>Acquisition of shares of the Company by the Trust from secondary market for a particular financial year shall not exceed 2% of the paid-up capital as at the end of previous Financial Year and that the total number of shares under secondary acquisition held by the Trust shall at no time exceed 5% of the paid-up capital as at the end of the Financial Year immediately prior to the year in which the shareholders' approval is obtained for such secondary acquisition.</p> <p>The Company is well within the permissible limit.</p>

Particulars	Details
Transferability of Employee Stock Options and Lock in of Shares	The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. The Shares issued pursuant to exercise of Options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended.
The method which the company shall use to value its options	Method of Valuation will be as prescribed under the relevant / applicable Regulations, Rules/ Laws.
The Conditions under which option vested in employees may lapse	On Resignation or Termination of the Employee of the Company.
The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	Options granted would vest essentially on the basis of continuation of employment/ service as on relevant date of vesting as a pre-requisite condition, provided that the eligible Employee is not under any notice of resignation or termination.
A statement to the effect that the Company shall comply with the applicable accounting standards	The Company shall conform to the applicable provisions of the Regulations, including the disclosure and the accounting policies as specified in guidelines/rules and regulations, as may be applicable from time to time.
Terms & conditions for buyback, if any, of specified securities covered/ granted under the ESIP - 2023:	Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of Options granted under the ESIP - 2023 if to be undertaken any-time by the Company, and the applicable terms and conditions thereof.

#### Item No. 10

Pursuant to the provisions of Section 185 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the "Rules") (as amended from time to time), no company shall, directly or indirectly, advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by (a) any director of company, or of a company which is its holding company or any partner or relative of any such director; or (b) any firm in which any such director or relative is a partner. However, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that (a) a special resolution is passed by the company in general meeting and the loans are utilized by the borrowing company for its principal business activities. In order to augment the long term resources of the Company and to render support for the business requirements of the entities in which director of the Company is interested or deemed to be interested from time to time, the Board of Directors in its meeting held on 27 July, 2023 has, subject to the approval of shareholders of the Company, proposed and approved for seeking the shareholder approval for advancing any loan, giving any guarantee or providing any security to all such person specified under Section 185 of the Companies Act, 2013 and more specifically such other entity/person as the Board of the Directors in its absolute discretion deems fit and beneficial and in the best interest of the Company (hereinafter commonly known as the Entities); all together with in whom or in which any of the Director of the Company from time to time is interested or deemed to be interested and upto an aggregate limit of ₹4500 Crores. Further, the aforementioned loan(s) and/or guarantee(s)

and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities and that keeping the best interest of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above-mentioned resolution except to the extent of their directorships and shareholding in the Company (if any).

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 10 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the shareholders of the Company as a Special Resolution.

#### Item No. 11

Pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the "Rules") (as amended from time to time), the Board of Directors of a Company can give any loan to any person or body corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit from time to time which together with the loans, guarantee, security and investment given/ provided/ made by the Company, beyond the maximum permissible limit under Section 186 of the Companies Act, 2013 i.e. 60% of the paid-up capital of the Company and its free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, provided that if special resolution has been passed by

the shareholders of the Company to that effect. Keeping in view the future plans of the Company and to fulfil long term strategic and business objectives and as a measure of achieving greater financial flexibility and to enable optimal financing structure, the Board of Directors in its meeting held on 27 July, 2023, subject to the approval of shareholders of the Company, has proposed and approved for seeking the shareholder approval for setting up limit upto an aggregate amount of ₹4500 Crores (Rupees Forty Five Hundred Crores only) and to give powers to the Board of Directors or any duly constituted committee thereof to that effect under Section 186 of the Companies Act, 2013. The loan(s), guarantee(s), security (ies) and investment(s), as the case may be, shall be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made thereunder.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above-mentioned resolution except to the extent of their directorships and shareholding in the Company (if any).

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 11 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the shareholders of the Company as a Special Resolution.

#### Item No. 12

The Company proposes to raise the capital for the purpose of capital expenditure for ongoing and future expansion projects, working capital, repayment of loans and for general corporate purposes in addition to pursuing organic growth, the Company continues to evaluate and pursue various Merger & Acquisition opportunities and to achieve its long-term vision.

Considering the growth plans for the Company and the opportunities for inorganic growth, notwithstanding the substantial cash generation from operations currently, the Company should be in readiness to raise resources if required. An equity fund raise will strengthen the Balance Sheet and also provide cushion against volatility / cyclicity in the steel sector, while keeping the leverage levels and financial covenants under targeted thresholds.

Raising fund by way of equity, convertible debentures or such other instruments would bolster the capital base of the Company and strengthen its financial structure for taking up the next phase of growth. Therefore, it is in the interest of the Company to raise long term resources with equity or convertible instruments so as to optimize capital structure for future growth. The proceeds of the issue may be used for long-term funding to meet the planned capital expenditure (including by way of investment in subsidiaries). Hence this resolution is an enabling resolution to raise long term resources at an opportune time.

For this purpose, the Company has been exploring various avenues for raising funds by way of issue of Equity Shares or by way of issue of any instrument or security including fully/partly convertible debentures, GDRs, ADRs or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for Equity Shares or any other eligible securities and/or any combination thereof, for an aggregate amount of up to ₹3600 Crores (Rupees Three thousand and six hundred Crores

only) through Qualified Institutions Placement to QIBs as defined in SEBI ICDR Regulations or Private Placement or Preferential Issue or Public Issue or through any other permissible mode and/or combination thereof as may be considered appropriate under applicable law. The issue of Securities may be consummated in one or more tranches at such time or times at such price, at a discount or premium to market price or prices in such manner and on such terms and conditions as the Board may in its absolute discretion decide, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, underwriters and such other authority or authorities as may be necessary and subject, as applicable, to the SEBI ICDR Regulations, the Depository Receipts Scheme, 2014 and other applicable guidelines, notifications, rules and regulations, each as amended.

The proposed Special Resolution is an enabling resolution to raise long term resources at an opportune time and therefore, the proposal seeks to confer upon the Board (including a Committee thereof), the absolute discretion to determine the terms of the aforementioned issuance of Securities, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements and market conditions. The detailed terms and conditions of such issuance will be determined by the Board or a Committee thereof, considering prevailing market conditions, practices and in accordance with the applicable provisions of law and other relevant factors. Accordingly, the Board (including a Committee thereof) may, in its discretion, adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

In the event of issuance of Securities by way of a QIP, as per the provisions of the SEBI (ICDR) Regulations, an issue of Securities shall be made at a price not less than the floor price calculated in accordance with Chapter VI of the ICDR Regulations and applicable law. The Board or Committee of Directors duly authorized by the Board are hereby being authorized to offer a discount of not more than five percent on such price determined in accordance with the pricing formula provided under Regulation 176 of the SEBI ICDR Regulations or such other discount as may be permitted in accordance with applicable law.

Further, in the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the Special Resolution by the Members or such other time as may be permitted under the SEBI ICDR Regulations from time to time. The aforesaid issue of Securities will be subject to receipt of requisite approvals from appropriate authorities, as may be applicable. Further, no allotment shall be made, either directly or indirectly to any QIB who is a promoter, or any person related to promoters in terms of the SEBI ICDR Regulations.

Pursuant to Section 62 of the Companies Act, 2013 and the SEBI Listing Regulations, whenever it is proposed to increase the Subscribed Capital of a Company by a further issue and allotment of shares, such shares need to be offered to the existing Members in the manner laid down in the said section unless the Members decide otherwise in a General Meeting.

The Board of Directors, at its meeting held on 27th July, 2023, has accorded its approval for raising of funds by the Company for an amount not exceeding ₹3600 Crores (Rupees Three Thousand Six Hundred Crores only) through issue of one or more type of Securities, subject to Members' approval and such other approvals as may be required under the applicable laws.

The Securities allotted as above would be listed on BSE Limited and National Stock Exchange of India Limited. The offer/issue/allotment would be subject to the regulatory approvals, if any. The conversion of Securities, if any, held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap, if any, and the applicable foreign exchange regulations.

As and when the Board or a Committee thereof takes a decision on matters pertaining to the proposed fund raise, on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the SEBI Listing Regulations.

This Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot the Securities to the investors, who may or may not be the existing members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

The Board recommends this Resolution for your approval.

**By order of the Board  
For Shyam Metalics & Energy Limited**

**Sd/-  
Birendra Kumar Jain**  
Company Secretary & Compliance Officer  
A8305

Place: Kolkata  
Date: 27th July, 2023

## Details of Directors seeking appointment

Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India:

Name	Mr. Sanjay Kumar Agarwal	Mr. Malay Kumar De	Mr. Shashi Kumar
Present Appointment in the capacity of	Executive - Non-Independent Director-Joint Managing Director related to Promoter	Non-Executive, Independent Director	Non-Executive, Independent Director
Director Identification Number	00232938	00117655	00116600
Date of Birth	27.03.1976	22.09.1959	30.09.1946
Nationality	Indian	Indian	Indian
Experience in specific functional area/Brief Resume	Mr. Sanjay Kumar Agarwal is the Joint Managing Director of the Company. He has been a Director of the 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 the manufacturing plants at Sambalpur, Jamuria and Mangalpur, with focus on cost control, production efficiency and competitive procurement of raw material.	Mr. Malay Kumar De is Retired IAS Officer. He is M. Sc in Organic Chemistry from University of North Bengal, Siliguri. He has Joined the IAS in 1985 and was allotted West Bengal cadre. At State Level he has worked as Joint Secretary and Director of Panchayats and Rural Development Department and then as Director of Industries. Mr. De was Health Secretary of West Bengal and Home Secretary of West Bengal and also served as Chief Secretary of West Bengal.	Mr. Shashi Kumar having about 53 years of rich experience in various fields, is a B.Sc. (Hons.) graduated in Mining Engineering from Indian School of Mines, Dhanbad and obtained his 2nd class Mine Managers Certificate of competency (in 1969) and 1st class Mine class Mine Managers Certificate of Competency (in 1970).
Qualification	Commerce Graduate	M. Sc in Organic Chemistry	B.Sc. (Hons.) graduated in Mining Engineering
Date of first Appointment on the Board	11-12-2002	-	-
Terms and Conditions of Appointment / Re-appointment	His tenure as a director is subject to retirement of Directors in terms of Section 152 of the Companies Act, 2013. He is liable to retire by rotation.	Appointed for a term of 5 years and not liable to retire by rotation	Appointed for a term of 5 years and not liable to retire by rotation
Details of remuneration sought to be paid	45.00 lacs	Sitting Fees	Sitting Fees
Last drawn remuneration (F.Y. 2022-2023)	45.00 lacs	-	-
Directorship in Companies as on 31st March, 2023 (including this company)	<ul style="list-style-type: none"> <li>• Shyam Metals and Energy Limited;</li> <li>• Shyam Sel and Power Limited;</li> <li>• Shyammetals Specialty Alloys Private Limited;</li> <li>• Shyam Century Metallic Limited;</li> <li>• Shyam Metals Flat Product Private Limited;</li> <li>• Shyam Energy Limited;</li> <li>• Kalpataru Housefin &amp; Trading Private Limited;</li> <li>• Ramsarup Industries Limited;</li> </ul>	-	<ol style="list-style-type: none"> <li>1. Godawari Power &amp; Ispat Limited;</li> <li>2. Indian Mining Consultancy Private Limited;</li> <li>3. Develecto Mining Limited;</li> <li>4. Khagra Joydev Resources Private Limited</li> <li>5. Matangi Enterprises Private Limited</li> </ol>

Name	Mr. Sanjay Kumar Agarwal	Mr. Malay Kumar De	Mr. Shashi Kumar
Relationship with other Directors and Key Managerial Personnel	Mr. Sanjay Kumar Agarwal is nephew of Mr. Mahabir Prasad Agarwal, Chairman and cousin brother of Mr. Brij Bhushan Agarwal, Vice Chairman & Managing Director.	N.A	N.A
Chairman/Member in the Committees of the Boards of companies as on 31st March, 2023	Shyam Metals and Energy Limited 1. Audit Committee (Member) 2. Stakeholders Relationship Committee (Member) Shyam Sel and Power Limited 1. Audit Committee (Member) 2. Corporate Social and Responsibility Committee (Member) 3. Executive Committee (Member)	-	Godawari Power and Ispat Limited 1. Audit Committee – Chairman 2. Nomination & Remuneration Committee – Chairman 3. Risk Management Committee – Member 4. Corporate Social Responsibility - Member
Listed entities from which the Director has resigned in the past three years	Nil	Nil	Nil
Number of shares held in the Company as on 31st March, 2023	31580	-	-
Number of meetings of the Board attended during the year (F.Y. 2022- 2023)	4/4	-	-

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Monday, 18th September, 2023 at 9:00 A.M. and ends on Wednesday, 20th September, 2023 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Thursday, 14th September, 2023** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date being **Thursday, 14th September, 2023**.

### How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email-id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p>   </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 4886 7000 and 022 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID for example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID for example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company for example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Shyam Metalics and Energy Limited to cast your vote. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [raj@manojbanthia.com](mailto:raj@manojbanthia.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as on the cut-off date i.e. **Thursday, 14th September, 2023** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. **022 4886 7000 and 022 2499 7000**. In case of

Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the **cut-off date** i.e. **Thursday, 14th September, 2023** may follow steps mentioned in the Notice of the AGM under Step1: "Access to NSDL e-Voting system" (Above).

3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 4886 7000 and 022 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. The Voting Rights of Members shall be in proportion to the number of Shares held in the Company as on the Cut-off date.
6. The Chairman shall at the AGM, at the end of the discussion on the resolution on which voting is to be held, allow voting by the use of remote e-voting system for all those members present at the AGM but have not cast their vote by remote e-voting facility before meeting. The remote e-voting shall be disabled by NSDL for e-voting 15 minutes after the conclusion of the meeting.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [compliance@shyamgroup.com](mailto:compliance@shyamgroup.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [compliance@shyamgroup.com](mailto:compliance@shyamgroup.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/ AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at [compliance@shyamgroup.com](mailto:compliance@shyamgroup.com) between **Friday, 15th September, 2023 to Tuesday, 18th September, 2023**.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at [compliance@shyamgroup.com](mailto:compliance@shyamgroup.com), **latest by 5:00 p.m. (IST) on Thursday, 14th September, 2023**. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call 022 4886 7000 and 022 2499 7000.

# BOARD'S REPORT

## To the Members,

Your Directors are pleased to present the 21st (Twenty First) Annual Report and Audited Financial Statement of the Company for the year ended 31st March, 2023.

## FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended 31st March, 2023 is summarized as below:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Revenue	6306.20	4753.58	12722.19	10453.96
Operating EBITDA	479.99	1145.67	1486.03	2599.89
Add: Other Income	62.99	95.17	112.01	60.00
Less: Interest (Finance Cost)	37.79	8.96	93.13	23.17
Profit before Depreciation/amortization and taxes (PBDAT)	505.19	1231.88	1504.91	2636.72
Less: Depreciation and amortization	207.82	119.61	463.08	272.40
Profit before tax (PBT)	297.37	1112.27	1041.83	2364.32
Adjustments for taxation				
Current Tax	21.00	197.21	234.59	539.46
Deferred Tax	(22.66)	4.00	(41.17)	(0.08)
Mat Credit Utilised	0.00	100.79	0.00	100.79
Profit after tax (PAT)	299.03	810.27	848.41	1724.15
Other comprehensive income for the year	16.62	40.83	15.36	43.57
<b>Total comprehensive earning for the year</b>	<b>315.65</b>	<b>851.10</b>	<b>863.77</b>	<b>1767.72</b>

## FINANCIAL PERFORMANCE

The Standalone Gross Income for the financial year 2022-23 stood at ₹6306.20 crores (P.Y ₹4753.58) representing a growth of 32.66%. During the financial year ended 31st March, 2023, your Company recorded a profit before tax of ₹297.37 crores as against ₹1112.27 crores in previous year a decrease of 73.26%. Net profit after tax also decreased by 63.09% at ₹299.03 crores compared to ₹810.27 crores in previous year. EBITDA Margin was at 7.61% in F.Y 2022-23 as compared to 24.10% in F.Y 2021-22.

The Gross consolidated revenue has increased from ₹10453.96 crores in F.Y 2021-22 to ₹12722.19 crores in F.Y 2022-23 representing a growth of 21.70%. PBT decreased from ₹2364.33 crores in F.Y 2021-22 to ₹1041.83 crores in the F.Y 2022-23, a decline of 55.93%. PAT decreased from ₹1724.18 crores in F.Y 2021-22 to ₹848.41 crores in F.Y 2022-23, a decline of 50.79%. Finance cost was increased from ₹23.16 crores in F.Y 2021-22 to ₹93.13 crores in F.Y 2022-23. EBITDA declined from ₹2599.89 crores in F.Y 2021-22 to ₹1486.03 crores in F.Y 2022-23, a decline of around 42.84% on account of lower realisation of products, increase in power and energy cost, increase in prices of critical Raw Materials & Overheads.

## ACQUISITIONS AND INVESTMENTS

The Company has acquired the following Companies indirectly through its subsidiary.

- S S Natural Resources Private Limited** - On 23rd May, 2022, Shyam Sel and Power Limited (Wholly owned Subsidiary of the Company) had acquired 366000 (60%) Equity Shares of S S Natural Resources Pvt. Ltd. Subsequent to which S S Natural Resources Pvt. Ltd. has become a subsidiary of Shyam Sel and Power Limited.
- Ramsarup Industries Limited** – Ramsarup Industries Limited was admitted under the Corporate Insolvency Resolution Process (CIRP) by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated 8th January 2018. The resolutions plan submitted by the consortium of S S Natural Resources Private Limited and Shyam SEL And Power Limited was duly approved by the Hon'ble NCLT, Kolkata Bench vide its Order dated 4 September, 2019. Further, Hon'ble NCLT vide its Order dated 6 April, 2022, directed to implement the Approved Resolution Plan. Accordingly, the Monitoring Agency implemented the approved Resolution Plan on 5th May, 2022 and 50,00,000 Equity Shares were issued to S S Natural Resources Pvt. Ltd. on 5th May, 2022, by virtue of which, Ramsarup Industries Limited became a Wholly-owned subsidiary of S S Natural Resources Pvt. Ltd.

Since S S Natural Resources Pvt. Ltd has become a subsidiary of Shyam Sel and Power Limited on 23 May, 2022, therefore,

Ramsarup Industries Ltd. has become step-down subsidiary of Shyam Sel and Power Limited.

- Shyam Metalics Flat Product Private Limited** – On 14 February, 2023, Shyam Sel and Power Limited (Wholly owned Subsidiary of the Company) had acquired 10000 (100%) Equity Shares of Shyam Metalics Flat Product Pvt. Ltd. Subsequent to which Shyam Metalics Flat Product Pvt. Ltd. has become a subsidiary of Shyam Sel and Power Limited.
- Shyam Metalics International DMCC** was incorporated on 17 August, 2022 in Dubai (UAE) as the Wholly Owned Subsidiary of Shyam Sel and Power Ltd.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION AND CHANGE IN BUSINESS

There have been no material change(s) and commitment(s), except elsewhere stated in this report, affecting the financial

position of the Company between the end of the financial year of the Company i.e. March 31, 2023 and the date of this Report.

There has been no change in the nature of business of the Company during the financial year ended on March 31, 2023.

### STATE OF COMPANY'S AFFAIRS

Shyam Metalics and Energy Ltd. is a leading integrated metal producing company with a focus on long steel products and ferro alloys. It is amongst the largest producers of ferro alloys in terms of installed capacity and the fourth-largest player in the sponge iron industry. The Company is primarily engaged in the production of long steel products such as iron pellets, sponge iron, steel billets, TMT, structural products, wire rods, and ferro alloys.

### OPERATIONAL HIGHLIGHTS

A brief highlight of the production on Y-O-Y basis of the Company in comparison to the installed capacity is as mentioned below:

#### STANDALONE

Sl. No.	Particulars	F.Y 2022-23			F.Y 2021-22		
		Effective Installed Capacity (MTPA)	Production (MTPA)	Capacity Utilisation (%)	Effective Installed Capacity (MTPA)	Production (MTPA)	Capacity Utilisation (%)
1.	IRON PELLETT	2100000	1391067	66.24%	1800000	1108337	92.24
2.	SPONGE IRON	1056000	954412	90.38%	957000	688177	81.63
3.	BILLETS	750630	676671	90.15%	407920	481632	118.07
4.	LONG PRODUCT	742500	577513	77.78%	440000	394633	89.69
5.	FERRO PRODUCT	105000	94702	90.19%	98000	82621	84.31

#### CONSOLIDATED

Sl. No.	Particulars	F.Y 2022-23			F.Y 2021-22		
		Effective Installed Capacity (MTPA)	Production (MTPA)	Capacity Utilisation (%)	Effective Installed Capacity (MTPA)	Production (MTPA)	Capacity Utilisation (%)
1.	IRON PELLETT	3900000	2877111	74%	3013151	2139789	71.01
2.	SPONGE IRON	2205000	1912755	87%	1640250	1429028	87.12
3.	BILLETS	1440150	1446913	100%	912702	834344	91.41
4.	LONG PRODUCT	1431500	1292841	90%	931633	853575	91.62
5.	FERRO PRODUCT	212920	216464	102%	205920	205331	99.71
6.	ALUMINIUM	24000	11683	49%	0	0	0

Further, a Comparison of Standalone and Consolidated product wise Sales of the Current financial year to the Previous financial year is as mentioned below:

#### STANDALONE

Sl. No.	Particulars	F.Y 2022-23		F.Y 2021-22	
		Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)
1.	IRON PELLETT	676846	588.35	899168	1112.34
2.	SPONGE IRON	353416	1106.12	245244	752.38
3.	BILLETS	108622	517.06	89622	383.47
4.	LONG PRODUCT	526873	2797.70	375573	1830.62
5.	FERRO PRODUCT	66703	744.72	80939	548.34

## CONSOLIDATED

Sl. No.	Particulars	F.Y 2022-23		F.Y 2021-22	
		Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)
1.	IRON PELLET	1214350	1045.78	1468870	1828.72
2.	SPONGE IRON	602907	1911.31	580035	1768.03
3.	BILLETS	207418	988.96	179726	781.93
4.	LONG PRODUCT	1124031	5987.44	806122	3947.44
5.	FERRO PRODUCT	179645	1820.88	203818	1915.21
6.	ALUMINIUM	11337	416.36	0	0
7.	STAINLESS STEEL – WRM – MCL	3980	43.05	0	0

During FY'23, production of steel increased by 34.08% (y-o-y) to hit a record of 36,94,365 MTPA as against 27,55,400 MTPA in FY'22, whereas the sales of various steel products during FY'23, also reached the highest ever level of 17,32,460 MT, an increase of 2.48% (y-o-y) as compared to 16,90,546 MT in FY'22.

On Consolidated basis the production increased from 54,62,067 MTPA to 77,57,767 MTPA, a growth of around 42.03% y-o-y basis, whereas Sales increased from 32,38,571 MTPA to 33,43,668 MTPA, a growth of 3.25% y-o-y basis.

### POWER

During FY'23, the power generation was 127.65 MW as against 122.82 MW in FY'22.

### DIVIDEND

During the year under review, your Company had declared an interim dividend @ 18% (₹1.80/- per equity share) on 2nd August, 2022. The same was paid on 25th August, 2022.

The Company had paid the final dividend @ 27% (₹2.70/- per equity share) for the FY 2021-22 pursuant to the approval of shareholders at the annual general meeting. The same was paid on 14th October, 2022.

For the Financial Year 2022-23, your Company has not recommended any final dividend.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. Further, in terms of the provisions of the Finance Act, 2020, dividend shall be taxed in the hands of shareholders and the Company shall withhold tax at source at the applicable rates as per the Income Tax Act, 1961.

### DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), the Board of Directors of your Company had approved the Dividend Distribution Policy. The Policy may be accessed on the website of the Company at: [https://www.shyammetals.com/wp-content/uploads/2022/04/Dividend\\_Distribution\\_Policy.pdf](https://www.shyammetals.com/wp-content/uploads/2022/04/Dividend_Distribution_Policy.pdf)

The objective of this policy is to establish the parameters to be considered by the Board of Directors of your Company before declaring or recommending dividend.

### TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the reserve from surplus. An amount of ₹299.03 crores (previous year ₹810.27 crores) is proposed to be held as Retained Earnings.

### CAPEX AND LIQUIDITY

During the period under review, the Company, on a consolidated basis spent ₹1578.92 Crores on capital projects largely towards ongoing growth projects in India, essential sustenance and replacement schemes.

### CREDIT RATING

The Company has updated the financial credit rating to **AA/ Stable for long term banking facilities and A1+ for short term banking facilities** by CRISIL. The rating emphasizes the financial strength of the Company in terms of the highest safety with regard to timely fulfilment of its financial obligations.

The above rating continues to draw strength from promoter's experience, operational efficiency by virtue of having an integrated plant, production of value-added products fetching higher margins, increasing profit levels and moderate its financial position.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 ("the Act"), the SEBI (LODR) Regulations, 2015 and Ind AS, the Audited Consolidated Financial Statements are provided in the Annual Report.

### SHARE CAPITAL

During the FY'23, there was change in the Authorised Share Capital of the Company. The Authorised Share Capital was increased from ₹290,00,00,000/- (Rupees Two Hundred Ninety Crores) divided into 29,00,00,000 Equity Shares of ₹10/- each to ₹4,00,00,00,000/- (Rupees Four Hundred Crores) divided into 40,00,00,000 Equity Shares of ₹10/- each.

There was no change in the Paid Up Capital of the Company and as on 31 March, 2023, the Paid Up Capital of the Company stood at ₹2,55,08,06,880/- (Rupees Two Hundred Fifty Five Crore Eight Lacs Six Thousand Eight Hundred And Eighty) divided into 25,50,80,688 Equity Shares of ₹10/- each.

The Company has not issued any shares or securities with differential voting rights nor granted stock options nor sweat equity.

### DEPOSITS

The Company has not accepted/received any deposits during the year under report, falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

### RELATED PARTY TRANSACTIONS

In terms of Section 188 of the Act read with rules framed thereunder and Regulation 23 of the SEBI (LODR) Regulations, your Company has in place Related Party Transactions Policy dealing with related party transactions. The policy may be accessed at: <https://www.shyammetals.com/wp-content/uploads/2023/05/Policy-for-Transaction-with-Related-Parties.pdf>

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013. There were no materially significant related party transactions made by the Company during the year that would have required the approval of the shareholders under Regulation 23 of the Listing Regulations.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2022-23 and hence does not form part of this report.

Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone/consolidated financial statements forming part of this Annual Accounts 2022-23.

### PARTICULARS OF LOANS, GUARANTEES SECURITIES AND INVESTMENTS

Details of Loans, Guarantees, Securities and Investments covered under the provisions of Section 186 of the Act are given in the notes to Financial Statements.

### SUBSIDIARIES ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has one material Subsidiary namely Shyam Sel and Power Limited, one Associate namely, Meghana Vyapaar Private Limited and one Joint Venture namely MJSJ Coal Limited. During the year under review, the Board of Directors reviewed the affairs of material subsidiaries. There has been no material change in the nature of the business of the subsidiaries.

A separate statement containing performance and highlights of Financial Statements of subsidiary, associate and joint venture companies is provided in the prescribed **Form AOC-1 as Annexure - I** and forming part of this report.

The financial statements of subsidiary companies are kept open for inspection by the shareholders at the registered office of the Company during business hours on all days except on Saturdays, Sundays and on public holidays upto the date of the Annual General Meeting ("AGM") as required under Section 136 of the Act. Any member desirous of obtaining a copy of the said financial statements may write to the Company at its Registered Office.

The audited financial statements including the consolidated financial statements and all other documents required to be attached thereto and financial statements of the subsidiary Company have been uploaded on the website of your Company at [www.shyammetals.com](http://www.shyammetals.com).

There have been no subsidiaries, joint ventures and associates during the year under review that have become or ceased to be the subsidiaries, joint ventures and associates.

Your Company has framed a policy for determining "Material Subsidiary" in terms of Regulation 16(c) of Listing Regulations. The policy may be accessed on the website of the Company at: <https://www.shyammetals.com/wp-content/uploads/2023/05/Policy-for-determining-Material-Subsidiary.pdf>

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board comprises of an optimum mix of Executive and Non-Executive Directors including Independent Directors. As on March 31, 2023, the Board consists of 10 (ten) Directors, including and headed by Non-Executive Chairman, four Executive Directors, and five Independent Directors out of which one is a Woman Director.

During the year under review, there has been change in the composition of the Board. Mr. Bhagwan Shaw (DIN: 03419298) had resigned from the position of Whole time Director w.e.f 8th November, 2022 due to personal reason, Mr. Venkata Krishna Nageswara Rao Majji (DIN: 07035891) had resigned from the position of Independent Director of the Company effective from 14th February, 2023 due to personal reason and other professional commitment, Mr. Ajay Choudhury (DIN: 00040825) had resigned from the position of Independent Director of the Company effective from 14th February, 2023 due to personal reason and other professional commitment and Mr. Nand Gopal Khaitan (DIN: 00020588) was appointed as an Independent, Non-Executive Director of the Company for a period of 5 (five) years w.e.f 14th February, 2023 till 13th February, 2028. Consequently, the Committees of the Board were re-constituted.

During the year under review, the shareholders of the Company through Postal Ballot approved the following:

1. Re-appointment of Mr. Ajay Choudhury (DIN: 00040825) as an Independent, Non-Executive Director of the Company for another period of 5 (five) years w.e.f 6th April, 2023 till 5th April, 2028
2. Re-appointment of Mr. Ashok Kumar Jaiswal (DIN: 00545574) as an Independent, Non-Executive Director of the Company for another period of 5 (five) years w.e.f 16th January, 2023 till 15th January, 2028
3. Re-appointment of Mr. Yudhvir Singh Jain (DIN: 06507365) as an Independent, Non-Executive Director of the Company

for another period of 5 (five) years w.e.f 16th January, 2023 till 15th January, 2028

4. Re-appointment of Mr. Kishan Gopal Baldwa (DIN: 01122052) as an Independent, Non-Executive Director of the Company for another period of 5 (five) years w.e.f 15th May, 2023 till 14th May, 2028
5. Appointment of Mr. Nand Gopal Khaitan (DIN: 00020588) as an Independent, Non- Executive Director of the Company for a period of 5 (five) years w.e.f 14th February, 2023 till 13th February, 2028

In accordance with the requirement of the Companies Act, 2013, Mr. Sanjay Kumar Agarwal (DIN: 00232938) Director retires by rotation and being eligible, offer himself for re-appointment. Members' approval is being sought at the ensuing AGM for his re-appointment.

During the period under Review, the Non-Executive Directors (NEDs) of the Company had no pecuniary relationship or transaction with the Company, other than the sitting fees and commission, as applicable, received by them.

As on 31 March, 2023 and in terms of Section 149 of the Companies Act, 2013 Mr. Ashok Kumar Jaiswal, Mr. Yudhvir Singh Jain, Mr. Kishan Gopal Baldwa, Ms. Rajni Mishra and Mr. Nand Gopal Khaitan are the Independent Directors of the Company.

### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the declarations from each of the Independent Directors that they, respectively, meet the criteria of independence prescribed under Section 149 read with Schedule IV of the Act and rules made thereunder, as well as Regulations 16(1)(b) and 25(8) of the SEBI (LODR) Regulations, 2015. Based on the declarations received, the Board considered the independence of each of the Independent Directors in terms of above provisions and is of the view that they fulfil the criteria of independence and are independent from the management.

In terms of Section 150 of the Companies Act, 2013 and rules framed thereunder, the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA) and has confirmed to comply with the requirements of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), within the prescribed timeline.

### KEY MANAGERIAL PERSONNEL'S (KMP)

During the year under review, there has also been a change in the composition of the Key Managerial Personnel. Mr. Shree Kumar Dujari had resigned from the office of the Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. 8th November, 2022.

In terms of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2023:

Mr. Brij Bhushan Agarwal - Vice Chairman and Managing Director  
 Mr. Sanjay Kumar Agarwal - Joint Managing Director  
 Mr. Deepak Agarwal - Whole-Time Director & Chief Financial Officer (Appointed as CFO on 5th May, 2023)

Mr. Dev Kumar Tiwari – Whole-Time Director

Mr. Birendra Kumar Jain – Company Secretary

### PERFORMANCE EVALUATION

The Board of Directors understands the requirements of an effective Board Evaluation process and accordingly conducts the Performance Evaluation every year in respect of the following:

- Board of Directors as a whole
- Committees of the Board of Directors
- Individual Directors including the Chairman of the Board of Directors

In compliance with the requirements of the provisions of Section 178 of the Act, the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI in January, 2017, a performance evaluation was carried out internally for the Board, Committees of the Board, Individual Directors including Chairman of the Board for the financial year ended March, 2023. During the year under review, the Company has complied with all the criterias of evaluation as envisaged in the SEBI Circular on Guidance Note on Board Evaluation such as preparation, participation, conduct and effectiveness.

The key objectives of conducting the Board evaluation process were to ensure that the Board and various committees of the Board have appropriate composition and they have been functioning collectively to achieve common business goals of the Company. Similarly, the key objectives of conducting performance evaluation of the Directors through individual assessment and peer assessment were to ascertain if the directors actively participate in the Board / committee meetings and contribute to achieve the common business goals of the Company.

All the Directors carry out the aforesaid performance evaluation in a confidential manner and provide their feedback on a rating scale of 1 to 5 in the specified formats. The performance evaluation feedback of all the Directors including Chairman is discussed by the Independent Directors in their separate meeting and forward their recommendation to the Chairperson of the Nomination and Remuneration Committee (NRC). Thereafter, the NRC forward the recommendation to the Board of Directors.

The outcome of such performance evaluation exercise was discussed during the year at a separate meeting of the independent directors held on 14th February, 2023, and subsequently by the Nomination and Remuneration Committee held on 5th May, 2023. The NRC forwarded their recommendation based on such performance evaluation process to the Board of Directors.

After completion of internal evaluation process, the Board at its meeting held on 5th May, 2023 also discussed the performance evaluation of the Board, its committees and individual directors. The performance evaluation of the Independent Directors of the Company was done by the entire Board of Directors, excluding the Independent directors being evaluated. The Board expressed its satisfaction with the evaluation process and the results thereof.



## FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The details of the training and familiarization program are provided in the Corporate Governance Report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on our website, at: <https://www.shyammetals.com/wp-content/themes/shyam/assets/investors/announcement/terms-and-conditions-ID.pdf>

## BOARD AND COMMITTEES OF THE BOARD

### Board Meetings:

The Board of Directors met 4 (four) times during the period under review. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

### Committee Meetings:

Pursuant to the various requirements under the Act and the Listing Regulations and to focus on specific areas and make informed decisions in line with the delegated authority, the Board of Directors has constituted the following committees:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Executive Committee

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance, which forms a part of this Annual Report.

## LISTING ON STOCK EXCHANGES

The Company's shares are listed on Bombay Stock Exchange (BSE) Limited and the National Stock Exchange of India (NSE) Limited.

## CODE OF CONDUCT

The Code of Conduct is based on the principle that business should be conducted in a professional manner with honesty and integrity and thereby enhancing the reputation of the company. The Code ensures lawful and ethical conduct in all affairs and dealing of the company.

The same can be accessed on the Company's website at weblink: [https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL\\_Policy-Doc\\_Code-of-Conduct.pdf](https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_Policy-Doc_Code-of-Conduct.pdf)

## SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued

by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

## NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, the policy on Nomination and Remuneration of Directors, KMPs and Senior Management of your Company and the criteria for determining qualifications, positive attributes and Independence of a director as specified in the relevant provision is uploaded on the website of the Company and may be accessed at: [https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL\\_Policy-Doc\\_Nomination-and-Remuneration.pdf](https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_Policy-Doc_Nomination-and-Remuneration.pdf)

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time, a statement showing the names and other particulars of the top ten employees and the employees drawing remuneration in excess of the limits set out in the said rules and the disclosures relating to remuneration and other details required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-V** to this report.

## STATUTORY AUDITORS AND AUDIT REPORTS

Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and based on the recommendation of the Audit Committee and Board, M/s. S K Agarwal & Co., Chartered Accountants (ICAI Firm Registration No. 306033E/E300272), had been re-appointed as the Statutory Auditors of the company for a second term of five years from the conclusion of 20th AGM till the conclusion of 25th Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors from time to time in consultation with the Auditors.

The Auditors Report to the shareholders for the year under review does not contain any qualification or adverse remarks. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for further comments.

## INTERNAL AUDITORS

In terms of the provisions of section 138 of the Companies Act, 2013, M/s. KPMG Assurance and Consulting Services LLP were appointed as the Internal Auditors for FY 2023-24. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, inter alia, reviews the Internal Audit Report.

## SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. MKB & Associates, Company Secretaries, (FRN: P2010WB042700) to conduct the Secretarial Audit of the Company for the financial year 2022-23. In terms of Regulation 24A of the SEBI (LODR) Regulations, 2015, FCS Mukesh Chaturvedi, Practicing Company Secretary (COP No: 3390) was appointed as Secretarial Auditors of Shyam Sel And Power Limited, a material unlisted subsidiary of the Company for the financial year 2022-23.

The Secretarial Audit Reports issued by M/s. MKB & Associates, Company Secretaries, for the Company and FCS Mukesh Chaturvedi, Practicing Company Secretary for Shyam Sel And Power Limited, are annexed herewith as **Annexure-II** to the Report. The report of the Secretarial Auditors is self-explanatory and it does not contain any qualification, reservation, adverse remark or disclaimer.

The Board has re-appointed M/s. MKB & Associates, Company Secretaries, as the Secretarial Auditor of the Company and FCS Mukesh Chaturvedi, Company Secretary for Shyam Sel And Power Limited (material unlisted subsidiary) for the financial year 2023-24.

#### **COST AUDITORS AND COST AUDIT REPORT**

In terms of sub-section (1) of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to maintain the cost records. Accordingly, such accounts and records have been maintained by the Company.

The Board of Directors, on recommendation of Audit Committee appointed M/s. Abhimanyu Nayak & Associates (FRN: 101052), Cost Accountants, as the Cost Auditors of the Company for auditing the cost records of the Company for the financial year 2023-24, subject to ratification of remuneration by the Shareholders of the Company in the 21st AGM of the Company. Accordingly, an appropriate resolution seeking ratification of the remuneration of ₹45000/- plus applicable taxes and actual out of pocket expenses incurred in connection with the cost audit for the financial year 2023-24 is included in the Notice convening the 21st AGM of the Company.

The Report of Cost Auditors for the Financial Year ended March 31, 2023 is under finalisation and will be filed with MCA within prescribed time.

#### **REPORTING OF FRAUD**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in this Report.

#### **RISK MANAGEMENT**

The Company has in place a robust risk management framework which identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the shareholders and

stakeholders, to achieve the business objectives and enable sustainable growth. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

#### **HUMAN RESOURCES**

The Company places significant emphasis on recruitment, training and development of human resources, which assumes utmost significance in achievement of corporate objectives. The Company integrates employee growth with organisational growth in a seamless manner through empowerment and by offering a challenging workplace aimed towards realisation of organisational goals. To this effect, your Company has a training center for knowledge sharing and imparting need based training to its employees. The Company also does a performance appraisal for its employees.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements and such internal financial controls are operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company strongly believes that sustainable community development is essential for harmony between the community and the industry. The Company endeavours to make a positive contribution especially to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives.

The Company's CSR policy provides guidelines to conduct CSR activities of the Company. The Board of Directors of the Company oversees the implementation of CSR Policy of the Company. In line with the provisions of the Act and on the recommendations of the CSR Committee, the Board of Directors has approved the CSR Policy of the Company. Detailed CSR Policy of the Company has been uploaded on the website of the Company at [www.shyammetals.com](http://www.shyammetals.com).

The Annual Report on the CSR activities for the financial year 2022-23 is annexed herewith as **Annexure- III** to this report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There have been no significant and material order(s) passed by the regulators/ courts which would impact the going concern status of the Company and its future operations during the year under review.

## ANY APPLICATION/PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

## DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls (IFCs) and Compliance Systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors including the audit of IFCs over financial reporting by the Statutory Auditors and reviews performed by the management and the relevant Board Committees, including the Audit Committee, The Board is of the opinion that the Company's IFCs are adequate and effective during F.Y 2022-23.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability confirms that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## OTHER INFORMATION

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In compliance with Regulation 34(2)(f) of the Listing Regulations read with the SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015, your Company has prepared a BRSR in the prescribed format for the financial year ended March 31, 2023 describing initiatives undertaken from an environmental, social and governance perspective, which is annexed to the Board's Report and marked as **Annexure- VI**.

The Policy on Business Responsibility and Sustainability Report (BRSR) has been uploaded on the website of the Company at [www.shyammetals.com](http://www.shyammetals.com) and is available at the link <https://www.shyammetals.com/wp-content/uploads/2022/07/Business-Responsibility-Policy.pdf>

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As stipulated under SEBI (LODR) Regulations, 2015 a separate section titled "Management Discussion and Analysis Report" (MDA), forms part of this Annual Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars related to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-IV** to this Report.

## ANNUAL RETURN

In accordance with the provisions of Sections 92 and 134(3) (a) of the Act read with the Companies (Management and Administration) Rules, 2014, the Annual Return for the financial year ended March 31, 2023 has been uploaded on the website of the Company on the following link: <https://www.shyammetals.com/investors/annual-report-and-return/>

## CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements as set out in Regulation 17 of the SEBI(LODR) Regulations, 2015. The report on Corporate Governance, for the financial year ended 31st March, 2023, as stipulated in Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015 forms an integral part of this Annual Report.

The certificate received from M/s. KPA & CO. LLP, Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015 is annexed to the Corporate Governance Report.

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has formed a Whistle Blower Policy/Vigil Mechanism policy as required under Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Code of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel of the Company denied access to the Audit Committee. The Whistle-blower Policy is available on our website, at [www.shyammetals.com](http://www.shyammetals.com).

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has adopted the policy against Sexual Harassment of Women at Workplace, for the purpose of preventing, prohibiting and redressing sexual harassment of female employees including permanent, temporary, on training and on contract basis at all the workplace within the company, which are based on the fundamental principles of justice and fair play.

Further, an Internal Complaints Committee (ICC) has been constituted at every location where offices of the Company is situated which shall be responsible for redressal of complaints related to sexual harassment.

The Company has adopted an Anti-sexual Harassment Policy at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has put in place suitable processes and mechanisms to ensure issues of sexual harassment, if any, are effectively addressed. During the year under review, there were no complaints of sexual harassment received / reported.

## MISCELLANEOUS

1. There were no instances where the Board of Directors have not accepted the recommendations of audit committee.
2. No such transaction was reported where there is difference between amount of the valuation done at the time of one

time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

## ACKNOWLEDGEMENTS

Your Board expresses its deep sense of gratitude and would like to place on record deep appreciation to our customers, business partners, vendors (both international and domestic), bankers, financial institutions and associates for all the support rendered during the year.

Your Board expresses their sincere appreciation for the continued co-operation and support extended to the Company by the Central Government, the Government of West Bengal and Odisha, Regulatory Authorities, Stock Exchanges, Municipal Authorities and local authorities in areas where we are operational and communities at large.

Your Board is deeply grateful to our investors and shareholders for the confidence and faith that has been reposed in us.

The Board acknowledges, appreciates and values the unwavering efforts by the employees, workmen and staffs including the Management headed by the Executive Directors who have worked together as a team and overall challenging environment. The Board also appreciates the Independent Directors and the Non-Executive Directors of the Company for their contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which helps your Company to take the right decisions in achieving its business goals.

For and on behalf of the Board of Directors

Sd/-

**Brij Bhushan Agarwal**

Vice Chairman and Managing Director  
(DIN: 01125056)

Place: Kolkata  
Date: 24th May, 2023

Sd/-

**Sanjay Kumar Agarwal**

Joint Managing Director  
(DIN: 00232938)

## Annexure – I

(Part – A)

**FORM NO. AOC - 1****Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures**

(Pursuant to first proviso of sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

(₹ in Crores)

Sl No.	Particular	M/s. Shyam Sel and Power Limited
1.	Reporting period for the subsidiary concerned	31.03.2023
2.	Share capital	44.13
3.	Reserves & surplus	3660.72
4.	Total assets	5471.33
5.	Total Liabilities	1766.48
6.	Investments	451.67
7.	Turnover	7042.66
8.	Profit before taxation	794.77
9.	Provision for taxation	194.89
10.	Profit after taxation	599.88
11.	Proposed Dividend	Nil
12.	% of shareholding	100

- Names of subsidiaries which are yet to commence operations: **NIL**
- Names of subsidiaries which have been liquidated or sold during the year: **NIL**

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

Name of Associates/Joint Ventures	Meghana Vyapar Pvt. Ltd. (Associate)	MJSJ Coal Ltd. (Joint Venture)
<b>1. Latest audited Balance Sheet Date</b>	31.03.2023	31.03.2023
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>		
No.	100000	8559000
Amount of Investment in Associates/Joint Venture	0.10	0.00
Extend of Holding %	33.51	9
<b>3. Description of how there is significant influence</b>	33.51% of Shareholding gives equal right to exercise the power	9% of Shareholding gives equal right to exercise the power
<b>4. Reason why the associate/joint venture is not consolidated</b>	N.A.	N.A.
<b>5. Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	Nil	Nil
<b>6. Profit / Loss for the year</b>		
i. Considered in Consolidation	0.14	-
ii. Not Considered in Consolidation	-	-

- Names of associates or joint ventures which are yet to commence operations: **Nil**
- Names of associates or joint ventures which have been liquidated or sold during the year: **NIL**

Annexure IIA**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

**SHYAM METALICS AND ENERGY LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHYAM METALICS AND ENERGY LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
  - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, inter alia, applicable to the Company:
  - a) The Boilers Act, 1923
  - c) The Petroleum Act, 1934
  - d) The Legal Metrology Act, 2009

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has passed the following special Resolutions

- a) reappointment of Shri Sanjay Kumar Agarwal as Joint Managing Director of the Company for a period of 5 years w.e.f 1st April, 2022 to 31st March, 2027
- b) reappointment of Shri Dev Kumar Tiwari as Whole Time Director of the company for a period of 5 years w.e.f 1st April, 2022 to 31st March, 2027
- c) reappointment of Shri Bhagwan Shaw as Whole-Time Director of the company for a period of 5 years w.e.f 1st April, 2022 to 31st March, 2027
- d) reappointment of Mr. Ajay Choudhury as Non-Executive Independent Director for second term of 5 years w.e.f. 6th April, 2023 till 5th April, 2028
- e) reappointment of Mr. Ashok Kumar Jaiswal as Non-Executive Independent Director for second term of 5 years w.e.f. 16th January, 2023 till 15th January, 2028
- f) reappointment of Mr. Yudhvir Singh Jain as Non-Executive Independent Director for second term of 5 years w.e.f. 16th January, 2023 till 15th January, 2028
- g) reappointment of Mr. Kishan Gopal Baldwa as Non-Executive Independent Director for second term of 5 years w.e.f. 15th May, 2023 till 14th May, 2028
- h) alteration in the Main Object Clause of the Memorandum of Association of the Company
- i) to consider and approve raising of funds

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

**For MKB & Associates**

Company Secretaries  
Firm Reg No: P2010WB042700

**Manoj Kumar Banthia**

Partner  
Membership no. 11470  
COP no. 7596  
UDIN: A011470E000367067

Date: 24.05.2023

Place: Kolkata

**Annexure- I**

To  
The Members,  
**SHYAM METALICS AND ENERGY LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For MKB & Associates**

Company Secretaries  
Firm Reg No: P2010WB042700

**Manoj Kumar Banthia**

Partner  
Membership no. 11470  
COP no. 7596  
UDIN: A011470E000367067

Date: 24.05.2023  
Place: Kolkata



**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st March, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**M/s Shyam Sel and Power Limited**  
S S Chamber,  
5, C.R. Avenue  
Kolkata – 700072

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Shyam Sel and Power Limited** (hereinafter called the company) during the financial Year ended 31st March 2023. Secretarial Audit was conducted on test check basis, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I further report that Compliance with applicable laws is the responsibility of the Company and my report constitutes an independent opinion. My report is neither an assurance for future viability of the company nor a confirmation of efficient management by the Company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Shyam Sel and Power Limited** ("the Company") for the financial year ended on 31.03.2023 according to the provisions of the following Laws especially applicable to the Company:

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- (iii) Foreign Exchange Management Act 1999 and rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing.
- (iv) The Other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry are:
  - a) Professional Tax Act
  - b) West Bengal Shop and Establishment Act'1963
  - c) The Employees Provident Funds and Miscellaneous Provisions Act'1952
  - d) The Boiler Act, 1923
  - e) The Petroleum Act, 1934
  - f) The Legal Metrology Act, 2009

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

On the basis of Audit as referred above, to the best of my knowledge, understanding and belief, I am of the view that during the period under review, the Company has, save and except the observations of the Statutory Auditors of the Company in their report for the period under review complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above:

**I further report that**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through and recorded as part of the Minutes of the Meeting of the Board of Directors.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of the report.

Signature:

**Name of Company Secretary in practice-**

**Mukesh Chaturvedi**

FCS No.11063

C P No.:3390

UDIN :F011063E000363657

Peer review certificate No 939/2020

Place Kolkata :

Date: 24.05.2023

## 'Annexure A'

**(To the Secretarial Audit Report of M/s Shyam Sel and Power Limited for the Financial  
Year ended 31st March, 2023**

To,  
The Members,  
**M/s Shyam Sel and Power Limited**  
S S Chamber,  
5, C.R. Avenue  
Kolkata – 700072

My Secretarial Audit Report for the Financial Year ended 31/03/2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were, to the best of my understanding, appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness, appropriateness or adequacy of financial records, Book of Accounts and decisions taken in board and in committees of the Company, during the period under review. However, I have verified as to whether or not the board process and approvals in various committees have been compiled with or not, during the period under review.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards in the responsibility of management. My examination was limited to the verification of procedures on test basis to assess the compliance of secretarial duties and board process
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:

**Name of Company Secretary in practice-**

**Mukesh Chaturvedi**

FCS No.11063

C P No.:3390

UDIN :F011063E000363657

Peer review certificate No 939/2020

Place Kolkata :  
Date: 24.05.2023

**Annexure – III**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF THE COMPANY

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. Brief outline on CSR Policy of the Company.

In accordance with the notification issued by the Ministry of Corporate Affairs dated 27th February 2014 under section 135 & Schedule VII of the Companies Act 2013, the Company Corporate Social Responsibility (CSR) is enunciated.

As a corporate citizen, Shyam Metalics is committed to ensure the social upliftment of the communities in which it operates through Corporate Social Responsibility ("CSR") initiatives. The Policy lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.

Corporate Social Responsibility has been an integral part of the way company have been doing business. Company believes successful corporations are very important members of the society with immense responsibility of uplifting the living standard of the community and meeting the sustainable development goals designed to be a "Blueprint to achieve a better and more sustainable future for all."

The company shall allocate at least 2% of its average net profit of the preceding three years towards certain activities to sustain and improve the quality of life of the communities it serves.

### 2. Composition of CSR Committee:

Sl No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Mahabir Prasad Agarwal	Chairman	4	4
2	Mr. Brij Bhushan Agarwal	Managing Director	4	4
3.	Mr. Ajay Choudhury*	Independent Director	3	3
4.	Ms. Rajni Mishra*	Independent Director	1	1

\*Mr. Ajay Choudhary has resigned w.e.f 14th February, 2023 and accordingly Ms. Rajni Mishra was appointed as Member of CSR Committee on 14th February, 2023

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

**www.shyammetalics.com**

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)- **Not Applicable.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl No.	Financial Year	Amount available for set-off from preceding financial years (₹ in crores)	Amount required to be set-off for the financial year, if any (in ₹ In crores)
1	2021-22	11.63	8.41
2	2020-21	Nil	Nil
3	2019-20	Nil	Nil
	<b>Total</b>		

6. Average net profit of the company as per section 135(5): **₹578.15 Crores**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹11.56 Crores**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **₹11.63 Crores**

(c) Amount required to be set off for the financial year, if any: **₹8.41 Crores**

(d) Total CSR obligation for the financial year: **₹11.56 Crores**

## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹) 2022-23	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3.15 Crores	Nil	NA	NA	NA	NA

## (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

## (c) Details of CSR amount spent against other than ongoing projects for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ In lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Drinking water in village, Health cam, health awareness	Clause-I, Drinking water, preventive health.	Yes	Odisha, sambalpur		0.60	Yes	-	-
3.	Animal welfare, Health of animal, treatment, hospital and medicine cost	Clause-IV, Animal welfare, environment, Natural resource	Yes	Odisha, Sambalpur.		0.80	Yes	-	-
6	Construction of Rural Roads, Levelling of ground, cleaning and area beautification	Clause-X, Rural Development project	Yes	Odisha, Sambalpur		1.75	Yes	-	-
<b>Total</b>						<b>3.15</b>			

## (d) Amount spent in Administrative Overheads- Nil

## (e) Amount spent on Impact Assessment, if applicable - NA

## (f) Total amount spent for the Financial Year (8b+8c+8d+8e) -11.56 Crores

## (g) Excess amount for set off, if any – 3.22 Crores

Sl No.	Particular	Amount (₹ In Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	11.56
(ii)	Total amount spent for the Financial Year	3.15
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	11.63
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.22

**9. (a)** Details of Unspent CSR amount for the preceding three financial years:

SI No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2021-22	NIL	17.98	N.A	N.A	N.A	NIL
2.	2020-21				Nil		
3.	2019-20				Nil		
	<b>Total</b>				<b>Nil</b>		

**(b)** Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
Nil								

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s). **NA**
- (b) Amount of CSR spent for creation or acquisition of capital asset. **NA**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **NA**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **NA**

**11.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **NA**

Sd/-

**Mr. Brij Bhushan Agarwal**  
(Vice Chairman & Managing Director).

Sd/-

**Mr. Mahabir Prasad Agarwal**  
(Chairman CSR Committee).

## Annexure – IV

**INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014. REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION.**

**A. ENERGY CONSERVATION**

The Company continued to focus on initiatives that enables to improve efficiency in energy use and has deployed several technological adoption to conserve energy.

Energy conservation was taken up as a key improvement during the year and the approach prioritises actions through a three-pronged strategy:

1. **Prevention / minimization** – i.e., Preventing Wastage / minimization of energy usage by Achieve lower values of fuel / energy consumption.
2. **Improving Recovery** – Deploying innovative methods of recovering higher amount of unused fuel heat in various process exhausts / recovery system.
3. **Higher Re-use / Re-cycling** – studying available potential of recovered energy from various sources and doing a cost-benefit analysis of practices required.

**Steps Taken for Energy Conservation:**

1. The details of energy efficiency improvement measures implemented, investment made and savings in energy achieved and progress made in the implementation of other recommendation are as follows:

SI No.	Description of energy efficiency improvement measure	Verified energy savings (KWh)	Fuel
1	Installation of VAM in place of Packaged AC's in CPP	1088000	Electricity
2	Installation of VFD in BFP 1A (250 kW) pump in CPP	216000	Electricity
3	Replacement of conventional lights with LED in CPP	60000	Electricity
4	Optimization of condenser vacuum in TG 1 in CPP	1068000	Coal
5	Optimization of condenser vacuum in TG 4 in CPP	459000	Coal
6	Installation of capacitor bank of 250 kVAR in DRI 1 for improvement in power factor	23000	Electricity
7	Installation of capacitor bank of 1250 kVAR in DRI 2 for improvement in power factor	115000	Electricity
8	Installation of VFD in PSB Bag filter (160 kW) of DRI 1	173000	Electricity
9	Installation of VFD in ID fan (75 kW) of Briquetting plant in FAD	76000	Electricity
10	Installation of VFD in ID fan (45 kW) of Briquetting plant in FAD	45000	Electricity
11	Installation of capacitor bank of 1250 kVAR in DRI 2 for improvement in power factor	140000	Electricity
	<b>Total</b>	<b>3463000</b>	

2. Installation of VFD in Centrifugal pump (Motor - 315 kW).
3. Sonic Soot Blower Installation in WHRB #1 to #6 completed.
4. Bed Material saving of ₹1.21 Crores p.a. by recycling old Bed Material in AFBC Boiler
5. Replacement of IE-2 low efficiency motors with High efficient IE-3 Motors.
6. Natural Lighting System Installation at various sub divisions for electricity savings by using natural day time light.
7. Automation of RMHS to save wastage of raw material & reduce circuit time to save on electrical consumption. This will enhance reliability of the circuit due to timely availability of the circuit for PM work

## B. Technology Absorption, Adoption and Innovation

- Erection of Magnetic Separator for dolochar screening to reduce Mag% in dolochar fuel.
- Condenser Ball Cleaning System Installation in TG#1 & TG#4 to enhance condenser heat transfer which in turn will help achieving designed condenser performance.
- Dry fog System installation in CHP for Pollution/Dust Management System
- Sonic Soot Blower System installation for steam saving. Currently the system has been installed in WHRB #1 to #6. In next phase, WHRB #7, #8 & #9 implementation to be done. Savings per boiler is estimated to be around ₹14,76,000/- per WHRB Boiler. In terms of Power, 0.6 MW Energy saving per day.
- In Phase 1, all light vehicles are being replaced with EV. Heavy Passenger vehicles are to be replaced after all light vehicle replacement in Phase 2.
- Installation of Pneumatic Long distance Ash Conveying Line & Pellet Finished Product Silo to enhance the environment condition by reducing heavy vehicle movement inside the plant.
- In addition to 1.32 Mwp Floating Solar Power Plant Installed inside SMEL, Sambalpur, the management has proposed a plan to Odisha Govt. for installation of 50 MWp Floating Solar Power Plant at Hirakud, Sambalpur.
- Installation of Bed Ash Conveying System in AFBC Boilers for automation of Bed Material Handling.
- Wire Drawing Mill Installation with 20 TPD capacity. High Gauge wire vcan be drawn.
- DRI #10 & WHRB #10 Commision Work Under Progress to enhance Sponge Iron & Power Production.
- CFBC # 180 TPH & TG # 90 MW under Project to meet future power demand of SMEL.
- DRI #11 & #12 and WHRB #11 & #12 Project Development and finalization under Progress
- Sponge Iron Bagging System Installed for product export.
- Condenser Ball Cleaning System Installtion in TG #1 & TG #4 for vacuum enhancement.
- Wet Scrapper/ Pollution Dust/ DRI Reject used as fuel in AFBC Boiler.

### Research and Development (R&D)

- Development of Control & Instrumentation Lab
- Enhancement of Central Workshop
- Rain Water Harvesting System
- Modifications of Roads & Drainage System to collect, manage & treat waste and rain water.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows as under:

Particulars	₹ in Crores)	
	F.Y 2022-23	F.Y 2021-22
Foreign Exchange Earnings -Inflow	175.04	335.26
Value of Direct Imports (CIF Value) – Outgo	1032.56	246.26
Expenditure in Foreign Currency – Outgo	0.69	0.22

### Productivity

- Additional 4000 kld WWTP#2 installed for waste water treatment. Annual Projected Saving - ₹1.2 Cr/-.
- SMS 2 revamping of furnace from 6T to 8T Increase in production by 6300 MT p.a.
- Slag Crusher capacity enhancement done by another 50 TPH. Metal Recovery Plant (50 TPH) installed at Sambalpur Site.



Annexure - V**PARTICULARS OF MANAGERIAL REMUNERATION****Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees and percentage increase in remuneration of the Directors and Key Managerial Personnel of the Company for the financial year:

Name of Directors & Key Managerial Personnel	Designation	Remuneration of Director/ KMP for the F.Y 2022-23 (₹ In Crores)	Percentage Increase in Remuneration	Ratio to median remuneration
Mr. Brij Bhushan Agarwal	Vice Chairman & Managing Director	2,25,00,000/-	Nil	69.86 : 1
Mr. Sanjay Kumar Agarwal	Joint Managing Director	45,00,000/-	Nil	13.97 : 1
Mr. Deepak Agarwal	Wholetime Director - Finance	45,50,000/-	13.04%	14.13 : 1
Mr. Dev Kumar Tiwari	Wholetime Director	42,89,109/-	37.91%	13.32 : 1
Mr. Bhagwan Shaw*	Wholetime Director	3,93,047/-	N.A	2.09 : 1
Mr. Birendra Kumar Jain	Company Secretary	15,96,407/-	11.38%	4.95 : 1
Mr. Shree Kumar Dujari#	Chief Financial Officer	21,22,407/-	N.A	11.29 : 1

Notes: \* Mr. Bhagwan Shaw, Wholetime Director had resigned on 8th November, 2022.

# Mr. Shree Kumar Dujari, Chief Financial Officer had resigned on 8 November, 2022

- (ii) Percentage increase in the median remuneration of employees in the Financial Year: 13%
- (iii) The number of permanent employees on the roll of the Company: 3038
- (iv) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The average percentile increase in the Salaries of the employees and management was around 13%. There was no exceptional circumstance where the managerial remuneration was increased during the year.
- (v) the key parameters for any variable component of remuneration availed by the directors: N/A
- (vi) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**Statement of Particulars of Top 10 Employees pursuant to the Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl.	Emp	Name of the Employees	Designation	Remuneration Received	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	11100001	Brij Bhushan Agarwal	Vice Chairman & Managing Director	2,25,00,000	Contractual	Graduate	21 Years	04-01-2002	50 Years	NA	9.13%	Son of Mr. Mahabir Prasad Agarwal and Cousin of Mr. Sanjay Kumar Agarwal
2	11100087	Deepak Agarwal	Wholetime Director - Finance	45,50,000	Contractual	Company Secretary (CS)	23 Years	01-04-2015	49 Years	Shyam Sei and Power Limited	0.00%	None
3	11100002	Sanjay Kumar Agarwal	Joint Managing Director	45,00,000	Contractual	Graduate	21 Years	04-01-2002	47 Year	NA	0.01%	Nephew of Mr. Mahabir Prasad Agarwal and Cousin of Mr. Brij Bhushan Agarwal
4	11100201	Dev Kumar Tiwari	Wholetime Director	42,89,109	Contractual	Graduate	18 Years	01-04-2005	51 Years	Shyam Sei and Power Limited	0.00%	None
5	110350	Trilochan Sharma	Chief Company Secretary	37,89,522	Permanent	Company Secretary (CS)	30 Years	21-12-2021	53 Years	Balasure Alloys Ltd.	0.00%	None
6	1101530	Deepakk Goyal	Chief Business Development Officer	36,62,363	Permanent	MBA	26 years	18-07-2022	50 Years	NA	0.00%	None
7	33301392	Hruday Ranjan Mohanty	Sr. General Manager - Electrical	36,54,106	Permanent	Graduate	32 Years	16-03-2017	56 Years	Axon Ispat	0.00%	None
8	11104298	Rudra Sankar Das	General Manager – Pellet	35,23,793	Permanent	Graduate	21 Years	25-06-2019	45 Years	Tenova	0.00%	None
9	11100521	Amit Agrawal	GM - Commercial	34,83,307	Permanent	Chartered Accountant(CA)	16 Years	07-06-2007	40 Years	NA	0.00%	None
10	11105696	Bishnu Charan Panda	Group Chief Human Resource Officer (CHRO)	34,57,044	Permanent	Ph.D - HR	28 Years	15-07-2021	50 Years	TATA Steel Long Products Ltd.	0.00%	None

# CONTENT

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

[As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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<b>Section B</b>	Management and Process Disclosures	132
<b>Section C</b>	Principle wise Performance Disclosure	135
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<b>Principle 2</b>	Businesses should provide goods and services in a manner that is sustainable and safe	137
<b>Principle 3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains	138
<b>Principle 4</b>	Businesses should respect the interests of and be responsive to all its stakeholders	142
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# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2022-23

## Section A: General Disclosures

### I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity** - L40101WB2002PLC095491
2. **Name of the Listed Entity** - Shyam Metals and Energy Limited
3. **Year of Incorporation** - 2002
4. **Registered office address** - "Trinity Tower" 83 Topsia Road, 7th Floor, Kolkata-700046
5. **Corporate address** - "Viswakarma Building" 86C, Topsia Road, Kolkata -700 046
6. **E-mail** - compliance@shyamgroup.com
7. **Telephone** - +91 -33 40164001
8. **Website** - www.shyammetals.com
9. **Financial year for which reporting is being done** -1st April 2022 - 31st March 2023
10. **Name of the Stock Exchange(s) where shares are listed** -
  - a. National Stock Exchange of India Limited (NSE)
  - b. Bombay Stock Exchange (BSE) Limited (BSE)
11. **Paid-up Capital** - ₹2,550,806,880
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** -  
 Mr. U.P. Singh, DGM ESG  
 +91 - 9234531271  
 esg@shyammetals.com
13. **Reporting boundary** - The disclosures in this report are prepared on a consolidated basis which includes two entities **Shyam Metals and Energy Limited (SMEL)** And **Shyam SEL and Power Limited (SSPL)**.

### II. Products/Services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No	Main Activity group code	Description of Main Activity	Business Activity Code	Description of Business Activity	% of Turnover of the entity
1	C	Manufacturing	C7	Metal and metal products	97.7 %
2	G	Trade	G1	Wholesale Trading	2.3 %

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No	Product/Service	NIC Code	% of Total Turnover Contributed
1	Ferro Alloys	24104	14.44 %
2	Sponge Iron	24102	15.16 %
3	TMT Bars and Long Products	24109	47.82 %
4	Pellets	24109	8.29 %
5	Billets	24109	7.84 %
6	Others	24109	6.45 %

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	12	16
International	-	-	-

#### 17. Markets served by the entity:

##### a. Number of locations

Location	Total
National (No. of States)	32 (Including union territories)
International (No. of Countries)	17

##### b. What is the contribution of exports as a percentage of the total turnover of the entity? 9.83 %

##### c. A brief on types of customers

We are a leading integrated metal producing company based in India mainly steel Industry in West Bengal and Odisha with a focus on Long Steel Products and Ferro Alloys. Our Sambalpur manufacturing plant caters to customers in Southern and Western regions of India whereas our Jamuria and Mangalpur manufacturing plants caters to customers in Northern and Eastern regions of India. The Company supplies to several business customers which are Commercial & Industrial consumers. Engagement provides a better understanding of customer requirements and how continuous improvement in service can be delivered. Shyam Metalics serves and operates under B2B, B2C and B2D segments

### IV. Employees

#### 18. Details as at the end of Financial Year:

##### a. Employees and Workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	<b>EMPLOYEES</b>					
1	Permanent (D)	2760	2725	98.73 %	35	1.27 %
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	2760	2725	98.73 %	35	1.27 %
	<b>WORKERS</b>					
4	Permanent (F)	4651	4636	99.68 %	15	0.32 %
5	Other than Permanent (G)	5990	5069	84.62 %	921	15.38 %
6	Total workers (F + G)	10641	9705	91.20 %	936	8.80 %

##### b. Differently abled Employees and Workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	<b>DIFFERENTLY ABLED EMPLOYEES</b>					
1	Permanent (D)	-	-	-	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	<b>Total differently abled employees (D + E)</b>	<b>No, differently abled employees are there in the current FY</b>				
	<b>DIFFERENTLY ABLED WORKERS</b>					
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	<b>Total differently abled workers (F + G)</b>	<b>No, differently abled workers are there in the current FY</b>				

#### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10 %
Key Management Personnel*	5	-	-

\* Comprising of Managing Directors, Wholetime Directors and Company Secretary

**20. Turnover rate for permanent employees and workers**

	FY 2022-23 (Turnover rate in current FY) %		FY 2021-22 (Turnover rate in previous FY) %		FY 2020-21 (Turnover rate in the year prior to the previous FY) %	
	Male	Female	Male	Female	Male	Female
Permanent Employees	2.69	0	6.21	0	5.54	0
	<b>Total</b>	<b>2.69</b>	<b>6.21</b>	<b>6.21</b>	<b>5.54</b>	<b>5.54</b>
Permanent Workers	1.85	0	6.42	0	3.5	0
	<b>Total</b>	<b>1.85</b>	<b>6.42</b>	<b>6.42</b>	<b>3.5</b>	<b>3.5</b>

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No	Name of the subsidiary/ associate companies (A)	Indicate whether Subsidiary/ Associate	% of shares held by listed entity*	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Shyam SEL And Power Limited	Subsidiary	100 %	Yes
2	Shyam Energy Ltd	Subsidiary	87.12%	No
3	Platinum Minmet Pvt Ltd	Subsidiary	99.85%	No
4	Shree Venkateshwara Electrocast Pvt. Ltd.	Subsidiary	90%	No
5	Hrashva Storage and Warehousing Pvt Ltd.	Subsidiary	99.90%	No
6	Meadow Housing Pvt. Ltd.	Subsidiary	71.43%	No
7	Taurus Estates Pvt. Ltd.	Subsidiary	89.29%	No
8	Whispering Developers Pvt. Ltd.	Subsidiary	67.57%	No
9	Nirjhar Commodities Pvt. Ltd	Subsidiary	58%	No
10	Shree Sikhar Iron & Steel Pvt Ltd.	Subsidiary	99.91%	No
11	S S Natural Resources Pvt. Ltd.	Subsidiary	60%	No
12	Shyam Metals Flat Product Pvt. Ltd.	Subsidiary	100%	No
13	Ramsarup Industries Ltd.	Subsidiary	60%	No
14	Shyam Metals International DMCC	Subsidiary	100%	No
15	Meghana Vyapar Private Limited	Associate	35.51 %	No
16	MJSJ Coal Ltd.	Joint Venture	9%	No

\*Held directly or through subsidiary companies

**VI. CSR Details**
**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

(ii) **Turnover** (in ₹): ₹12,610.18 crore

(iii) **Net worth** (in ₹): ₹6,228.34 crore

**VII. Transparency and Disclosures Compliances**

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)  (If Yes, then provide weblink for grievance redress policy)	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
		Number of complaint filed during the year	Number of complaint pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
<b>Communities</b>	Yes, a mechanism is in place to interact with the community leaders to understand and address their concerns, if any	Nil	Nil	NA	Nil	Nil	NA
<b>Investors (other than Shareholders)</b>	<a href="https://www.shyammetals.com/investors/investor-relations-contact/">https://www.shyammetals.com/investors/investor-relations-contact/</a>  KFin Technologies Limited (KFinTech) Share Transfer Agent provides share registration and related services to the Shareholders and Investors.  Details of investor complaints received by the Company are filed on a quarterly basis with the Stock Exchanges.	50	0	All the complaints were disposed off during the year.	5800	0	All the complaints were disposed off during the year.
<b>Shareholders</b>	<a href="https://scores.gov.in/scores/Welcome.html">https://scores.gov.in/scores/Welcome.html</a>  Stakeholders Relationship Committee has been formed to oversee redressal of investor grievances.	Nil	Nil	NA	Nil	Nil	NA
<b>Employees and workers</b>	<a href="https://shyam.hrone.cloud/Account/Index">https://shyam.hrone.cloud/Account/Index</a>  <a href="https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_PolicyDocs_WhistleBlower.pdf">https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_PolicyDocs_WhistleBlower.pdf</a>	Nil	Nil	NA	Nil	Nil	NA
<b>Customers</b>	<a href="https://www.shyammetals.com/contact-us/">https://www.shyammetals.com/contact-us/</a>	Nil	Nil	NA	Nil	Nil	NA
<b>Value Chain Partners (supply chain partners)</b>	<a href="https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_PolicyDocs_WhistleBlower.pdf">https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_PolicyDocs_WhistleBlower.pdf</a>	Nil	Nil	NA	Nil	Nil	NA
<b>Other (Anonymous, trainees)</b>	<a href="https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_PolicyDocs_WhistleBlower.pdf">https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_PolicyDocs_WhistleBlower.pdf</a>	Nil	Nil	NA	Nil	Nil	NA

**24. Overview of the entity’s material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No	Material issue identified*	Indicate Whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Environmental Impact Assessment	O		-	The financial implications related to risk and opportunity will be worked out by the company in due course of time
2	Anti-corruption practices of the company	R		-	
3	Health & safety of employees	R		-	
4	Development and well-being of local communities	O		-	
5	Sustainability disclosures	O		-	
6	Environmental declaration of products	O		-	
7	GHG emissions and climate change	O		-	
8	Adoption of innovative, resource- efficient and low-carbon technologies and solutions	R		-	
9	Life cycle assessment of products and processes	O		-	
10	Sustainability in the supply chain	O		-	
11	Water and effluents	O		-	
12	Air pollution	O		-	

\*Issues material to Shyam Metals is identified through materiality assessment, conducted in the financial year 2022-23.

## Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

<b>P1</b>	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
<b>P2</b>	Businesses should provide goods and services in a manner that is sustainable and safe.
<b>P3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains.
<b>P4</b>	Businesses should respect the interests of and be responsive to all its stakeholders.
<b>P5</b>	Businesses should respect and promote human rights.
<b>P6</b>	Businesses should respect and make efforts to protect and restore the environment.
<b>P7</b>	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
<b>P8</b>	Businesses should promote inclusive growth and equitable development.
<b>P9</b>	Businesses should engage with and provide value to their consumers in a responsible manner.



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	www.shyammetals.com/investors/policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international Codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015	ISO 9001, ISO 14001 and ISO 45001	ISO 45001	-	Indian labour codes	ISO 14001	-	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The entity is in process to set targets for Sustainability KPIs related to climate change, energy, water, waste, air emissions and biodiversity for short term (2030) and long term (2050) goals.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The entity is working to set its goals and targets and to track performance on the commitments								
<b>Governance, leadership, and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>The Company is committed to integrating environmental, social and governance (ESG) principles into its businesses which is central to improving the quality of life of the communities it serves. It adheres to the principles of product stewardship by enhancing health, safety and environmental impacts of products and services across their lifecycles.</p> <p>The environmental impacts cover Climate, Resources (Energy &amp; Water), Waste Management and Nature &amp; Biodiversity.</p> <p>The Company is committed to conducting beneficial and fair business practices to the labour, human capital and to the community. It provides employees and business associates with working conditions that are clean, safe, healthy and fair.</p> <p>It strives to be neighbour of choice in the communities in which it operates and contributes to their equitable and inclusive development. To deliver these commitments, the Company has a separate CSR Policy, in line with the "Code of Conduct".</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Brij Bhushan Agarwal (DIN: 01125056) under the guidance of the Board of Directors and its Committees is responsible for implementation and oversight of the Business Responsibility policies.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company's CSR Committee is responsible for sustainability related issues. For composition of CSR Committee, please refer the Corporate Governance.								

**10. Details of Review of NGRBCs by the Company**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Performance against above policies and follow up action</b>	All the policies of the Company are approved by the Board and reviewed periodically or on a need basis by Executive Committee as a part of ESG review.  During the review, the effectiveness of the policies is evaluated and necessary amendments to policies and procedures are implemented.																	
<b>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</b>	The Company complies with the extant regulations and principles as are applicable. No major non-compliance. Operational issues are being addressed on an 'ongoing basis' as and when identified.																	
<b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>	The processes and compliances, however, may be subject to scrutiny by internal auditors and regulatory compliances, as applicable. From a best practices perspective as well as from a risk perspective, policies are periodically evaluated and updated by various department heads, business heads and approved by the management or board. An internal assessment of the workings of the BR policies has been done. All financial and non-financial performance including policies are subject to annual third-party verifications/audits that independently evaluate the results.								

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)						NA			
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)						NA			
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)						NA			
It is planned to be done in the next financial year (Yes/No)						NA			
Any other reason (please specify)						NA			

## Section C: Principle wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.**

### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes.
Board of Directors		During the year, the Board of Directors of the Company (including its committees) has invested time on various updates comprising matters relating to and pertaining to the business, regulations, economy and environmental, social and governance parameters.	100 %
Key Managerial Personnel		Topics pertaining to integrity and ethics, core values, code of conduct, and sustainability covered enabling KMPs to drive company's values, purpose and strategy in the business	100 %
Employees other than BoD and KMPs	22	1. Safety Trainings, 2. Functional Trainings 3. Technical Trainings 4. Behavioral Trainings	80 %
Workers	50	Safety Trainings Topics Covered Stop the Pandemic, Work environment, Electrical Safety, Conveyor Safety, Confined Space Entry, PPE, Fire Fighting training, Road Safety, Lifting tools & tackles	70 %

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

The Company had no monetary and non-monetary fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year FY23 based on materiality thresholds.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment					
Punishment					

#### 3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies / judicial institute
	NOT APPLICABLE

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company's Code of Conduct covers aspects relating to anti-corruption or anti-bribery. In terms of the said Code, the Company believes in conducting its business in a transparent manner and does not indulge in bribery or corruption. The Company has 'zero tolerance' of any practice that may be classified as corruption, bribery or giving or receipt of bribes or make directly/indirectly any illegal payments, gifts, donations or any benefits which are intended to obtain business or unethical favours and the same has been mentioned in its Code of conduct for Director and Senior management Executives. The objective of this policy is to serve as a guide for all directors, executives, employees and associated persons for ensuring compliance with applicable anti-bribery laws, rules and regulations. This policy is applicable to individuals including Board Members and Senior Managerial Personnel associated with the Company and such person acting on behalf of the Company.

The Company has also adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

There have been no cases involving disciplinary action taken by any law enforcement agency on the charges of bribery / corruption against directors / KMPs / employees / workers that have been brought to the Company's attention.

	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

**6. Details of complaints with regard to conflict of interest:**

	FY 22-23 (Current Financial Year)		FY 21-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

**7. Provide details of any corrective action taken or underway on issues related to fines/ penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest - Not applicable**

**LEADERSHIP INDICATORS**

**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programme held	Topics/ Principle covered under the training	%age of value chain partners covered (by the value of business done with such partners) under the awareness programmes
48	Environment, social & Governance Risk and Opportunity	Not Evaluated
54	BRSR principles	Varying from 30 to 35 %

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, the Company has processes for the management of conflict of interests involving members of the Board which may arise due to Directors joining the Boards of other companies and even conflicts which would take place during the course of normal business activities. In this respect, every Director of the Company discloses his/her concern or interest in the Company or companies or bodies corporate, firms or other association of individuals and any change therein, annually or upon any change, which includes the shareholding.

Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and the role therein. The Senior Management also affirms annually that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large.

Also, in the Meetings of the Board, the Directors abstain themselves from participating in the items in which they are concerned or interested.

Further, the Company undertakes assessment at sites in order to identify any and all potential areas for conflict of interest. It engages with internal and external stakeholders to ensure the comprehensiveness of this assessment process based on the outcomes of this assessment process.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

#### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial year (2022-23)	Previous Financial Year (2021-22)	Details of improvements in environmental and social impact
R&D	-	-	For more details on steps taken and efforts made towards conservation of energy, utilising alternate sources of energy, technology absorption and the expenditure incurred on Research and Development, refer to the 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Report of the Board of Directors in the Company's Report and Accounts 2023.
Capex	-	-	

Note: The Company conducts R&D linked to environmental and social initiatives, however currently the expenditures are not tracked

#### 2. a. Does the entity have procedures in place for sustainable sourcing?

Yes, the entity is in a process to adopt policy for sustainable sourcing where all the new and existing supply chain partners are mandatorily evaluated on environment, health & safety and sustainability parameters before onboarding.

#### b. If yes, what percentage of inputs were sourced sustainably?

The entity is planning to assess the inputs which are sourced sustainably.

#### 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste - Not Applicable

#### 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same - Not applicable to primary iron and steel making process

### Leadership Indicators

#### 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of product/service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.

The entity has conducted LCA for its products which includes TMT and Structures.

#### 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/ Service	Description of the risk/ Concern	Action Taken
	N.A	

#### 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 22-23	FY 21-22
Water	21%	21%
Fly Ash	10%	10%

Re-cycling of water for usage in cooling cycle, horticulture and supply re-cycled water for irrigation to nearby communities whenever possible. Fly ash generated is sold to fly ash brick manufacturing units. The Company is in constant endeavor for recycling, reusing of material leading to conservation of resources.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial year			FY 21-22 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NOT APPLICABLE	

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**  
**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No (B)	% (B/A)	No (C)	% (C/A)	No (D)	% (D/A)	No (E)	% (E/A)	No (F)	% (F/A)
<b>PERMANENT EMPLOYEES</b>											
Male	2725	2725	100%	-	-	No benefit is taken for the current FY		No benefit is taken for the current FY		-	-
Female	37	37	100%	-	-					-	-
Total	2762	2762	100%								
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	-	-	-	-	-	No benefit is taken for the current FY		No benefit is taken for the current FY		-	-
Female	-	-	-	-	-					-	-
Total	-	-	-	-	-						

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No (B)	% (B/A)	No (C)	% (C/A)	No (D)	% (D/A)	No (E)	% (E/A)	No (F)	% (F/A)
<b>PERMANENT WORKERS</b>											
Male	4636	2442	53 %	Nil		No benefit is taken for the current FY		No benefit is taken for the current FY		Nil	
Female	15	7	47 %								
Total	4651	2449	53 %								
<b>OTHER THAN PERMANENT WORKERS</b>											
Male	5069	Assessment for the same need to be done									
Female	921										
Total	5990										

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	80 %	97 %	Y	77.93 %	95.04 %	Y
Gratuity	85.32 %	100 %	Y	96.4 %	100 %	Y
ESI	24 %	65 %	Y	31.71 %	71.20 %	Y
Others – please specify	-	-	-	-	-	-

### 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

No differently abled employees are there in the current Financial Year. Yet, most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company respects human rights and nurtures an inclusive culture that does not discriminate on the basis of religion, gender, caste or disabilities and has a policy for equal opportunity for all. The Company has a Human Rights Policy that aims to protect human rights and reinforce the culture of inclusivity and equality within our organization. Further, equal opportunity is covered as part of our Code of Conduct.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work	Retention rate	Return to work	Retention rate
Male	-	-	-	-
Female	-	-	-	-
<b>Total</b>	No Parental leave taken for the FY 22-23			

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief**

**Yes/No (If Yes, then give details of the mechanism in brief)**

<b>Permanent Workers</b>	Yes - All HR & Reporting managers have set grievance handling mechanism
<b>Other than Permanent Workers</b>	Yes -All HR & Site engineers & managers have set grievance handling mechanism
<b>Permanent Employees</b>	Yes -All HR, reporting managers & Business Leads have set grievance handling mechanism
<b>Other than Permanent Employees</b>	NA

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 22-23 (Current Financial Year)			FY 21-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employee's / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>						
Male						
Female						
<b>Total Permanent Workers</b>						
Male						
Female						

**8. Details of training given to employees and workers:**

Category	FY 22-23					FY 21-22				
	Current Financial Year					Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
No. (B)		% (B/A)	No. (C)	% (C / A)	No. (E)		% (E/D)	No. (F)	% (F / D)	
<b>Employees &amp; Workers</b>	100% of our employees are given trainings on health & safety measures and skill upgradation through regular training sessions organized by the concerned departments									

## 9. Details of performance and career development reviews of employees and worker:

All employees of the Company undergo an annual performance appraisal process as determined by the Company. The appraisal process is based on criteria such as grade of the employee, role / designation of the employee, her / his role in and contribution to the overall performance of the Company, the performance of profit centre / division to which she / he belongs, merits of the employee, past performance record, future potential of the employee and / or such other criteria as may be determined by the management.

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, occupational health and safety management system has been implemented by the entity. It covers the entire operations covering all project sites, manufacturing units, industrial production facilities and offices.

The Company believes that a safe and healthy work environment is a pre-requisite for employee well-being, and the adoption of best practices in occupational health and safety have a direct impact on its overall performance. The coverage is 100% and includes all employees and workers.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has in place systematic risk management process to identify and control all the hazards in construction project sites, manufacturing units, industrial production facilities and offices. Further, the system comprises followings safety processes for identifying Work related hazards and assess risks on routine and non-routine basis:

Hazard Identification Risk Assessment and Risk Management (HIRA), Job Safety Analysis, Incident investigation, Safety Audit, Safety Inspections from previous incident, referring to manuals.

### c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. The reporting system for a near miss, unsafe acts & unsafe conditions is being implemented in all division are provided with targets to reports no. of U/A and U/C

### d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, medical centres and first aid facilities are available for both employees and workers. We have first center having round the clock dispensary facility. Also it is employed with four pharmacists and 1-part time doctor. We have also tied up with Multi specialty hospital at Sambalpur to handle major cases.

## 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.01	1.96
	Workers	1.97	3.73
Total recordable work-related injuries	Employees	5	6
	Workers	46	47
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	1
	Workers	3	4

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Every month Safety observations for unsafe act and condition are shared with the divisions and corrective actions are ensured. All rotating parts are safeguarded with machine guards. All platform is provided with handrails and toe guards. Housekeeping is carried out on a regular basis to prevent slip, trip & fall. On-job and off-job training is provided to workmen by the respective departments. A regular safety audit is carried out to identify the deviations. The noncompliance is corrected on priority basis to prevent any unforeseen incident. All the incidents are investigated, and corrective and preventive actions are taken to curb the recurrence. Regular Toolbox talk are conducted to aware the workmen regarding the hazards associated with that specific job activity. SOP training are provided to enhance the skill of the workmen and avert accidents.



- System Improvements: Work at Height SOP awareness training provided to employees at Dam & Power House
- SOP includes 'Stop Work' authorization to Supervisor, Engineer, Line Manager, HOD in case of Unsafe Situation at site.
- Competency Evaluation of Contractor workmen before vendor selection
- All workers to undergo approval from doctor to confirm 'medical fitness' for work at height.
- Job Specific Trainings
- Scaffolding Inspector Certificate Training provided to 36 employees at the hydro plant through external agency.
- Refresher Emergency Response training for site supervisory staff including contractor
- Physical Improvements
- Procured its own scaffolding material which shall be used in maintenance work not relying on the material of the contractor
- Daily Tool Box talk on safety for all workmen, especially those engaged in work at height.

Compulsory training for workers engaged in work at height at site, which includes do's and don'ts including proper access and egress from the high platform, PPE compliance.

The Company has developed high risk procedures in line with corporate safety standards. Line manager's involvement in Safety Observation systems (SOS) using the software tool, Incident reporting & Investigation using software-based tools. Regular trainings are provided to employees & associates.

Some of the other measures taken at plants are as below:

- OHS Policy OHS Induction & OHS Trainings
- Motivational Programs
- Standard Operating Procedure
- OHS Committees
- Mass Safety Tool Box Talks
- Permit to Work
- LOTO
- Confined Space Entry
- QRA
- Manual Material Handling Assessment
- Industrial Hygiene Survey
- OHS Inspections
- Barrier Health Management
- Safety Kaizen
- Hazardous Area Classification
- Gas Monitoring
- Near Miss Reporting System
- Incident Investigation System
- Contract Safety Management
- Road Safety
- Visual Display Management
- Electrical Safety
- Tools, tackles & equipment's inspection

### 13. Number of Complaints on the following made by employees and workers:

	FY 22-23 (Current Financial Year)			FY 21-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Working Conditions</b>	481	11		457	24	
<b>Health &amp; Safety</b>	294	3		288	2	

### 14. Assessments for the year:

#### % of your plants and offices that were assessed (by entity or statutory authorities or third parties)

<b>Health and safety practices</b>	100% of plants and offices were assessed by entity through third parties.
<b>Working Conditions</b>	100% By Addl. Director of Factories and boilers.

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All operational plants were assessed by third party for Occupational Health & safety practices by reputed and authorized third party agencies. No significant concerns were raised during the audit and nor was there any lapse on the statutory compliance part. However, minor gaps and few opportunities for improvement beyond the compliance were pointed out by the auditors. Majority of the OFI's have been implemented at site locations while few OFI's are under progress (plan for implementation is finalized and work is in progress) at our plant locations. Some of the OFI's, duly implemented, are provided below –

- Fire hydrant system installed in CPP and are under progress at SMS#2 and Ferro.
- Provision for safe guarding of rotating parts is under progress for the entire plant.
- House Keeping is given utmost importance and is carried out by all the departments on priority.
- Much more emphasis is to improve the awareness level of workmen through trainings, Mock drills.

**Leadership Indicator**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

The Company extends life insurance coverage for work related death of its employees and workers.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company is compliant to statutory dues of employees towards income tax, provident fund, professional tax, ESIC etc. as applicable from time to time. The other value chain partners (vendors) are equally responsible for complying as per the contract.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

All the employees and workers who suffer from work related injuries are suitably compensated following applicable regulation and company policy.

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes. The philosophy behind the SMEL people management is to empower its employees through a broad range of initiatives directed towards their holistic growth. It believes in continuous learning and keeping abreast of the latest technologies and processes. Continuous work is done on designing and offering new and exciting learning opportunities for all employees

**5. Details on assessment of value chain partners:**

**% of value chain partners (by value of business done with such partners) that were assessed**

<b>Health and safety practices</b>	The Company expects its value chain partners to follow extant regulations, including health and safety practices and working conditions, these parameters are explicitly captured in the procurement contracts. Performance is monitored on various parameters including but not restricted to explicit parameters relating to adherence to health and safety practices and working conditions regulations. Although no specific assessment has been carried out pertaining to health and safety practices and working conditions of value chain partners, periodic inspections of material value chain partners are performed.
<b>Working Conditions</b>	

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No corrective action plan has been necessitated on the above-mentioned parameters.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholder**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

SMEL maintains a dynamic and strategic stakeholder engagement process where it identifies key stakeholder groups from the larger universe of all possible stakeholders. This is done after considering the material influence each group has on the Company’s ability to create value (and vice-versa). Through this dynamic mechanism of stakeholder engagement, the Company has currently identified internal and external stakeholder groups: Employees & their families, Government and Regulatory Authorities, Customers, Communities and local authorities, Suppliers, Institutions, Investors, Competitors, Media, NGO, Industry Association.

## 2. List of key stakeholder groups identified as for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/NO)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement	Purpose and scope of engagement including key topics and concern raised during such engagement.
Investors	No	Conference calls, Annual General Meeting, Official communication channels: Advertisements, publications, website and social media, Investor meetings, Email, Stock Exchange (SE) intimations, Investor/Analyst meet/Conference calls, Annual Report, Quarterly results, Media releases, Company/ SE website	Frequent and as and when required	To meet the need and expectation which are material to the Company including but not limited to share price appreciation, dividend, profitability and financial stability, ESG performance and other growth prospects.
Customers	No	Customer meets, Official communication channels: Advertisements, publications, website and social media, Conferences events, Phone calls, emails and meetings, Business interaction, Customer plant visit, helpdesk, conferences	Frequent and as and when required	To acquire new customers and service the existing ones through Customer satisfaction and feedback, Product quality, availability, delivery and timeline, aftersales service.
Suppliers & transporters	No	Regular supplier/contractors meet, Plant visit, MoU and agreements, Training workshops, seminars and meetings, surveys, Supplier audits, Official communication channels: Advertisements, publications, website and social media	As and when required	Service existing business, Need and expectation schedule, supply chain issue, training and compliance, Quality delivery and payments, ISO standards.
Employees & their Families	No	Emails and meetings, Employee engagement initiatives, Performance appraisal, Grievance redressal mechanisms, Notice boards  Circular and messages from corporate and line management, Employee Referral policy, HR-one portal helpdesk, Welfare initiatives for employees and their families.	Daily Newsletter – Quarterly Emails – As and when required	Employees' growth and benefits, their expectation, volunteering, career growth, professional development and continuing education, skill, training and awareness.
Government & regulatory authorities	No	Advertisements, publications, website and social media, Phone calls, emails and meetings, Regulatory audits/ inspections, Quarterly Results, Annual reports, Stock Exchange filings	As and when required	Strong ESG practices, changes in regulatory framework, employment, environmental measures, reporting requirement, statutory compliance, support from authority.
R&D (Educational Institution)	No		As and when required	
Communities	Yes	Community visit and projects, local charities, volunteerism, seminars, CSR project	As and when required	Community development, self-sustainability, livelihood support, Sustainable Development Goals, building capacity of future leaders, CSR projects.
Media	No	Press releases, Quarterly Results, Annual reports, AGM information and media interactions	As and when required	Performance reporting, Good practices, show cases, awards and achievements
Industry association	No		As and when required	Networking so as to be abreast of new opportunities in sector and drive change
Competitors	No		As and when required	
Environment	No		Frequent and as and when required	

## Leadership Indicators

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has set up various committees on economic and ESG governance and performance monitoring. These committees include CSR Committee, Risk Management Committee, Stakeholder's Relationship Committee, etc. The CSR Committee is a committee constituted by the Board and has a mix of Executive and Non-executive members. The Risk Management Committee is constituted by the Board and is chaired by an Independent Director. The Stakeholders' Relationship Committee is constituted by the Board and is chaired by an Independent Director. Quarterly performance update and reviews were conducted by the respective committees on these topics and consolidated performance report and outcome were presented to the Board in their quarterly meetings. Also, the Company has been conducting stakeholder engagement exercise from time to time on ESG topics. As per their respective terms of reference, the various Committees meet periodically to review the performance of the Company in various areas.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, outcome of the materiality assessment and stakeholder engagement exercise are taken forward to identify material topic of concern on sustainability for the Company. Based on these material topics of significance to the Company, further strategy development, policy setting, if required, objectives and goal setting with monitoring mechanism are developed and implemented.

### 3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

All the CSR programs are focused on addressing the most pressing issues and meeting the needs of the most vulnerable populations across the globe especially women, youth and marginalized groups. The Company operates its business in an ethical, economic, social and environmentally sustainable manner, while recognizing the needs and interests of its critical stakeholders.

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

The majority of our employees are provided with human rights awareness. For all new employees who are onboarded, Human Rights awareness is part of the induction session. For the worker category, face-to-face/classroom session on the code of conduct is done which includes aspects of Human Rights.

#### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No.(C)	% (C /A)		No.(E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
Permanent	2762	0	0	2762	100%	4196	0	0	4196	100%
Male	2725	0	0	2725	100%	4173	0	0	4173	100%
Female	37	0	0	37	100%	23	0	0	23	100%
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Workers</b>										
Permanent	4651	0	0	4651	100%	4175	0	0	4175	100%
Male	4636	0	0	4636	100%	4175	0	0	4175	100%
Female	15	0	0	15	100%	0	0	0	0	0
Other than Permanent	5990	5990	100%	0	0	1070	1070	100%	0	0
Male	5069	5069	100%	0	0	840	840	100%	0	0
Female	921	921	100%	0	0	230	230	100%	0	0

### 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (INR)	Number	Median remuneration/ salary/ wages of respective category
<b>Board of Directors (BoD)*</b>	7	6.65 Lakhs	1	1.15 Lakhs
<b>Key Managerial Personnel*</b>	7	399.51 Lakhs	0	-
<b>Employees other than BoD and KMP</b>	2725	3.87 Lakhs	37	20,263 INR Per Month
<b>Workers</b>	4636	2.55 Lakhs	15	-

# includes sitting fees paid

\* includes Managing Directors and Executive Directors also

Note: 1. Mr. Ajay Choudhary and Mr. Venkata Krishna Nageshwara Rao Majji resigned on 14th February 2023  
2. Mr. Bhagwan Shaw and Mr. Shree Kumar Dujari resigned on 8th November 2022

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company does not have a single focal point for addressing the human rights issues. However, the HR head and the head of the respective department is responsible for addressing the same.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has put in place a robust Grievance Redressal process for investigation of employee concerns. They may put in a written grievance letter through respective HR departments and the necessary action will be taken. All grievances are addressed as and when received by the respective Unit Heads/Project Managers/ through Admin in coordination with HR. All the grievances received are duly investigated and appropriate actions are taken to resolve the issue/complaint. Whenever required, disciplinary actions are initiated as deemed fit and assistance from regulatory authority is sought.

### 6. Number of Complaints on the following made by employees and workers:

	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Sexual Harassment</b>	0	-	-	0	-	-
<b>Discrimination at workplace</b>	0	-	-	0	-	-
<b>Child Labour</b>	0	-	-	0	-	-
<b>Forced Labour/ Involuntary Labour</b>	0	-	-	0	-	-
<b>Wages</b>	0	-	-	0	-	-
<b>Other human Rights related issues</b>	0	-	-	0	-	-

### 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Whistle Blower Policy wherein the employees report, without fear of retaliation, any wrong practices, unethical behaviour or noncompliance which may have a detrimental effect on the organisation, including financial damage and impact on brand image. Also, the Code of Conduct of the Company requires employees to behave responsibly in their action and conduct. Apart from that, the Company has Committees at every location for the protection of women at workplace to ensure their rights, receive grievances, conduct investigation and to take actions.

### 8. Do human rights requirements form part of your business agreements and contracts?

Yes. The business agreements and contracts do include Company's expectations to promote sustainability, fair competition and respect for human rights. The Company adheres to the UNGC (United Nation Global Compact) principles which include Human Rights clauses.

These clauses are part of the contracts with suppliers, partners, and are extended across the supply chain in the form of Supplier/Vendor Code of Conduct.

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour Sexual harassment	NIL
Discrimination at workplace	NIL
Others- please specify	NIL

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above**

There were no significant risks or concerns (considering Q9)

**Leadership Indicators**
**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No complaint received in FY22 for human rights violation. The Company is in process of formulating its Supplier/Vendor Code of Conduct (SCoC) including human rights compliance requirements for value chain partners.

**2. Details of the scope and coverage of any Human rights due diligence conducted. – NIL**
**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

- Yes, almost all premises and offices are accessible to differently abled visitors

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Currently, this is not being assessed.
Discrimination at workplace	However, the Company's Supplier/Vendor Code of Conduct (SCoC), addresses many of these aspects. All suppliers need to necessarily sign the SCoC for dealing with the Company and are expected to comply with its requirements.
Child Labour	
Forced labour /Involuntary labour	
Wages	
Others- please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above. – Not Applicable**
**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**
**Essential Indicators**
**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total electricity consumption (A)	63,30,219.34 GJ	49,11,028.84 GJ
Total fuel consumption (B)	2,59,40,807 GJ	2,95,83,599.02 GJ
Energy consumption through other sources (C)	NIL	NIL
Total energy consumption (A+B+C)	3,22,71,026.91	3,44,94,627.86
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00025	0.00033
Energy intensity (optional) – the relevant metric may be selected by the entity (Equivalent per ton of steel)	19.98	32.98

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Yes, Cleenviron and Envomin Consultant Pvt. Ltd.**

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Yes. SMEL Sambalpur and Jamuria Plant is a designated consumer (DC) under the PAT scheme of the Government of India. The Company was in PAT cycle 3 in FY 22. Now the entity is under PAT cycle 7 and the target with registration number INS00097OR and INS0093WB respectively, Specific energy consumption of the entity is 0.4712 TOE/Tonne of equivalent product, Equivalent major product output is 1041690 tonne in accordance to the given data the target for specific energy consumption is 0.4417 TOE/Tonne of equivalent product. The entity is working in an efficient way to achieve the desired target.

**Key Results achieved under PAT Cycle-III**

Specific energy consumption (baseline) FY-2015-16	0.5469
Production (baseline) tonne FY-2015-16	260711
Target SEC as notified (From baseline to Assessment year)	0.524
Normalized SEC (Achieved in the Target Year) FY-2019-20	0.4139
<b>Energy savings certificates to be issued</b>	<b>+28704</b>

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	85,84,945	72,92,625
(ii) Groundwater	NIL	NIL
(iii) Third party water	NIL	NIL
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	-	-
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	<b>85,84,945</b>	<b>72,92,625</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>85,84,945</b>	<b>72,92,625</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>0.00006</b>	<b>0.00007</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	<b>5.31</b>	<b>6.97</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.** - No, in house team of SMEL carry out the assessment on day to day basis.

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, the entity has adopted the Zero Liquid Discharge principle. The entity has set Waste Water Treatment Plants of design capacity 3000 KLD and 4000 KLD respectively. The wastewater generated from different processes is treated in the Treatment Unit. The treated water is then recycled back to different units as per the requirement. SMEL recognizes the need for the efficient management of water resources within and outside its operating sites. Efforts are made to increase water use efficiency, while also ensuring its availability for all stakeholders. All plants are based on the principle of 'ZERO LIQUID DISCHARGE'. Wastewater is treated and recycled in the water use cycle or diverted for horticulture use.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Kg/tcs	564.87	426.4
Sox	Kg/tcs	1090.33	731.07
Particulate matter (PM)	Kg/tcs	465.51	496.38
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others—please specify	-	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.** - Yes, Cleenviron and Envomin Consultant Pvt. Ltd.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	4671629.94	5215254.94
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	474325.39	386819.38
Total Scope 1 and Scope 2 emissions	Total emission per rupee of turnover	0.00004	0.000053
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO <sub>2</sub> e/ton	3.18	5.35

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No.**

**7. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.**

Yes, the organization has collectively planted saplings/plants in the current year FY22-23. The plantation of local species is carried out every year to restore and rehabilitate the dumping sites with a survival rate of more than 70 %. The area in the plant premises has been converted into the green cover and development of the green belt has been carried out to achieve the desired targets apart from the plantation drive. The entity is shifting more towards renewable sources of energy. Shifting from the conventional sources of energy the entity is producing solar energy through floating Solar Panels.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	10	8.58
E-waste (B)	57.12	68.8
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	34	39.55
Battery waste (E)	0.7	1.55
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	11.3	22.6
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	282143.76	140317.04
Total (A+B + C + D + E + F + G+ H)	282256.88	140458.30

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, Envomin Consultant Pvt. Ltd.**

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The solid wastes Middling & Rejects from coal washery is used in FBC Boiler as a fuel. Ash and accretion & Dolchar from DRI kilns is used in captive brick manufacturing unit & in FBC Boiler respectively. Deducting dust is reused in the Pellet plant. Tar from PGP plant is sold to authorized recyclers. Slag and dust from SMS are used in Landfilling in abandoned mines. Fly ash from FBC Boiler is used in landfilling in abandoned stone quarries. Fe-Mn slag from Ferro alloy plant is recycled, Si-Mn slag is used in land filling & Fe-Cr slag is used as aggregate in concrete works. Hazardous wastes such as Used Oil, Waste containing oil, spent resin, Tarry residues, discarded containers is disposed through authorized recyclers. Moreover, there is no involvement of any toxic chemicals in the plant process.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	21°41'4.78"N to 21°39'36.36"N 84° 1'29"E to 84° 2'51.64"E	Integrated steel unit	Yes, the conditions given in the EC Letter are being complied with.



**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted By independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Expansion of existing Integrated steel plant to final capacity of Sponge Iron- 20,54,000 TPA, Billets (Mild & Alloy Steel)- 23,73,566 TPA, Rolled Products – 15,60,000 TPA, CPP- 328 MW, Pellets- 30,00,000 TPA, Producer Gas Plant- 96,450 Nm <sup>3</sup> /Hr, Sinter Plant- 5,90,625 TPA, Blast Furnace- 3,93,750 TPA, by M/s. Shyam Metalics and Energy Limited located at Village- Pandloi, Block- Lapanga, District- Sambalpur, Odisha.	File no. F.NO.J- 11011/495/2006-IA.II(I)	16.08.2022	Yes	Yes	<a href="http://environmentclearance.nic.in/onlineSearchnewrk.aspx?autoid=42011&amp;proposal_no=IA/OR/IND/269835/2020&amp;typep=EC">http://environmentclearance.nic.in/onlineSearchnewrk.aspx?autoid=42011&amp;proposal_no=IA/OR/IND/269835/2020&amp;typep=EC</a>

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes, the Company is complying with all the mentioned acts and rules.**

Sl. No.	Specify the law / regulation / guidelines which was not complied with	Provide the details of the non compliance	Any fines / penalties / action taken by regulatory agencies such as Pollution Control Board or by courts	Corrective action taken, if any

NA

**Leadership Indicators**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23 (Current Financial Year) GJ	FY 2021-22 (Previous Financial Year) GJ
<b>From renewable sources</b>		
Total electricity consumption (A)		NIL
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
<b>From non-renewable sources</b>		
Total electricity consumption (D)		As per Essential Indicator 1
Total fuel consumption (E)		
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)		

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - NO**

**2. Provide the following details related to water discharged:**

No wastewater is discharged from any office or plant locations.

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of Treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of Treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of Treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of Treatment		
Total water discharged (in kilolitres)		

All the plants practice Zero waste Discharge.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - NO**

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

Currently mapping is in progress for the Company’s permanent facilities and offices. The data will be provided for FY23. For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the Entity		

Please refer to Essential Indicator 3

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		Please refer to Leadership Indicator 2

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - NO**

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent		
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent	Organisation is in a process of calculating their Scope 3 emissions from the current financial year	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - NO**

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Currently, the organization is in the process of assessing any such impact on Biodiversity.

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
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The company is in process of collecting data on such specific initiatives

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. No**

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Any such impact has not been assessed yet

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Currently, the organization is in the process of assessing value chain partners for environmental impacts.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
1	Bengal chamber of Commerce (BCC)	State
2	Bharat Chamber of Commerce (BCC)	National
3	Merchant Chamber of Commerce (MCC)	Sate
4	Indian Chamber of Commerce (ICC)	National
5	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
6	Confederation of Indian Industry (CII)	National
7	SteelMint	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

There is no action taken or underway against Shyam Metalics and Energy Limited on any issues related to anti-competitive conduct.

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

Sl. No	Public Policy covered	Method restored for such advocacy	Whether information in public domain	Frequency of review by board	Web link if available
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SMEL works closely with industry/trade associations in evolving policies that govern the functioning and regulations of the Indian Steel sector. The company is a member of various working groups/ trade associations to support the government in the following areas –

1. Bengal chamber of Commerce
2. Bharat Chamber of Commerce
3. Merchant Chamber of Commerce
4. Indian Chamber of Commerce
5. Federation of Indian Chambers of Commerce & Industry
6. Confederation of Indian Industry
7. SteelMint

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development:**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification no.	Date of Notification	Whether conducted by independent external agency (Y/N)	Results communicated in public domain (Yes / No	Relevant Web link
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Not Applicable - as there were no projects that require SIA as per law in the current year

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format –

Not Applicable- No projects are there for which Rehabilitation and Resettlement (R&R) is being undertaken by the entity.

3. Describe the mechanisms to receive and redress grievances of the community

District, Panchayat and village committees raise the issues to the CSR department and after thorough evaluation, CSR department addresses community issues. Shyam Metalic Foundation (SMF) have CSR Volunteers who are directly interacting with the Women SHG groups and other village groups on a regular basis to convey SMF objectives and also listen to their issues which SMF tries to address on priority basis. The grievances of the community could also be sent to any of the plant HR / Admin teams who will handle the same.

#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial year
Directly sourced from MSMEs/ small producers	0	0
Sourced directly from within the district and neighbouring districts	0	0

The entity is planning to directly source from the MSME and produce a Road map that has been prepared for the same.

#### Leadership Indicators

##### 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	NIL

##### 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

S.No	State	Aspirational District	Amount spent (In INR)
1	Odissa	Sambalpur	₹2,48,49,900
2	West Bengal	Jamuria	₹1,81,40,866

##### 3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

There is no such policy yet, but the entity is working on a responsible sourcing policy.

b. From which marginalized /vulnerable groups do you procure? Not Applicable

c. What percentage of total procurement (by value) does it constitute? Not Applicable

##### 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				Not Available

##### 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not Available

##### 6. Details of beneficiaries of CSR Projects:

S.No	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Skill Development	302	By virtue of working in areas with predominantly rural communities, the programs by default reach out largely to the vulnerable and marginalised communities.
2	Education program	250	
3	Sports promotion	580	
4	Sehat	17251	

#### PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

##### Essential Indicators

##### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

A well-established system is in place for dealing with consumer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, transmittal letter communications and verbal communications, etc. directly to project management teams. The customers can also complaint through the toll-free number and email address provided on the Company website.

**2. Turnover of products and/services as a percentage of turnover from products/service that carry information about:**

	As a percentage to total turnover
<b>Environmental and social parameters relevant to the product</b>	The Company educates its customers on environmental parameters and for safe and responsible usage of power.
Safe and responsible usage	
Recycling and/ or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Received during the year	Pending resolution at the end of the year	Remark	Received during the year	Pending resolution at the end of the year	Remark
Data privacy advertising	NIL	NIL		NIL	NIL	
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

**4. Details of instances of product recalls on account of safety issues:**

S.No	Number	Reason for recall
Voluntary call	Nil	NA
Forced recall	Nil	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The company has a formal policy on Information security Management and a manual of all the relevant policies is available in the company.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. – None**
**Leadership Indicators**
**1. Channels/platforms where information on products and services of the entity can be accessed (provide a web link, if available).**

All information regarding the business of SMEL can be accessed through the Company's website [www.shyammetalics.com](http://www.shyammetalics.com) and in its periodic disclosures such as the annual report and the integrated report.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

- Not Applicable

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. - Not Applicable**
**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) - Not Applicable**
**5. Provide the following information relating to data breaches:**

a. Number of instances of data breaches along-with impact - Nil

b. Percentage of data breaches involving personally identifiable information of customers - Nil

# REPORT ON CORPORATE GOVERNANCE

for the year 2022-2023

**(Pursuant to Regulations 34(3) and Schedule V (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended)**

## Company's Philosophy on Corporate Governance:

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to build confidence of its various stakeholders and paving way for its long-term success. In Shyam Metalics and Energy Limited, Corporate Governance is defined as a systematic process by which Company is directed and controlled keeping in mind the long-term interests of all their stakeholders. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large.

Your Company's philosophy on the Corporate Governance is founded upon a rich legacy of fair and transparent governance practices which are essentially aimed at ensuring transparency in all dealings and hence seeks to focus on enhancement of long-term stakeholder value without compromising on integrity, social obligations and regulatory compliances. Your company operates within accepted standards of prosperity, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. Even in a fiercely competitive business environment that the Company is operating in, the management and employees of your Company are committed to uphold the core values of transparency, integrity, honesty and accountability, which are fundamental to the Company and for achieving Corporate Excellence.

Your Company confirms the compliance of Corporate Governance requirements during the financial year 2022-23 as specified in Regulations 17 to 27 read with Schedule V and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations.")

## Date of Report

The information provided in this report on Corporate Governance for the purpose of unanimity is as on March, 31, 2023. This Report is also updated as on the date of the Report wherever applicable.

## Board of Directors

### Board Composition and category of Directors

As on the date of this report, the Board consists of 10 (ten) Directors, including and headed by Non-Executive Chairman, four Executive Directors, and five Independent Directors out of which one is Woman Director. The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website at <https://www.shyammetalics.com/about-us/message-from-md/#directors>.

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013. The Board members possess adequate qualifications, knowledge, expertise and experience to provide strategic guidance to the Company.

As defined in Regulation 17A, SEBI (LODR) Regulations, 2015 none of the Directors is a member of the Board in more than seven listed entities and Independent Directors of the Company are not serving as an Independent Director in more than seven listed entities. Further, none of the Managing / Whole-time Directors of the Company are serving as an Independent Director in not more than three listed entities.

None of the Directors on the Board is a member of more than twenty Companies (including a maximum of 10 public limited companies) or a Member of more than ten Board-level Committees or a Chairman of more than five such Committees. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

The Independent Directors (IDs) of the Company have declared that they meet the criteria for "independence" and / or "eligibility" as prescribed under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013 (as amended) (the "Act") and have given necessary confirmation in terms of Regulation 25(8) of the Listing Regulations. Based on the said declarations and confirmation received from the Independent Directors, the Board of Directors confirm that the Independent Directors fulfill the conditions specified in aforesaid regulations and are independent of the management. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at <https://www.shyammetals.com/wp-content/themes/shyam/assets/investors/announcement/terms-and-conditions-ID.pdf>

### Changes to Board during FY 2022-23

1. During the financial year, Mr. Bhagwan Shaw, Whole Time Director resigned on 8th November, 2022 due to personal reason.
2. Mr. Venkata Krishna Nageshwara Rao Majji, Independent Director have resigned from the directorship of the Company w.e.f 14th February, 2023 due to personal reasons and other professional commitments and that he has confirmed that there were no other material reasons other than those mentioned herein above for his resignation as an Independent Director from the Board of the Company.
3. Mr. Ajay Choudhury, Independent Director have resigned from the directorship of the Company w.e.f 14th February, 2023 due to personal reasons and other professional commitments and that he has confirmed that there were no other material reasons other than the those mentioned herein above for his resignation as an Independent Director from the Board of the Company.
4. Simultaneously, Mr. Nand Gopal Khaitan was appointed as an Independent Director of the Company w.e.f 14th February, 2023 for a period of five consecutive years commencing 14th February, 2023 till 13th February, 2028.

The composition and category of the Directors on the Board, as on the date of this report, are as follows:

Name of the Director	Designation	Category
Mr. Mahabir Prasad Agarwal	Chairman	Promoter – Non-Executive
Mr. Brij Bhushan Agarwal	Vice-Chairman & Managing Director	Promoter – Executive
Mr. Sanjay Kumar Agarwal	Joint Managing Director	Promoter – Executive
Mr. Deepak Agarwal	Whole Time Director	Executive
Mr. Dev Kumar Tiwari	Whole Time Director	Executive
Mr. Ashok Kumar Jaiswal	Director	Independent, Non-Executive
Mr. Kishan Gopal Baldwa	Director	Independent, Non-Executive
Mr. Yudhvair Singh Jain	Director	Independent, Non-Executive
Ms. Rajni Mishra	Director	Independent, Non-Executive
Mr. Nand Gopal Khaitan	Director	Independent, Non-Executive

### Number and dates of Board Meetings held during the year

4 (Four) Board Meetings were held during the Financial Year 2022- 23 and the gap between two meetings did not exceed 120 days. The Meetings were held on 18th May, 2022, 2nd August, 2022, 9th November, 2022 and 14th February, 2023. The requisite quorum was present for all the meetings. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

The attendance at the Board Meetings during the financial year 2022-23 and at the previous Annual General Meeting is as under:

Name of Director	No. of Board Meeting Attended out of total (/) no. of Meetings held	Last AGM Attended
Mr. Mahabir Prasad Agarwal	4/4	Yes
Mr. Brij Bhushan Agarwal	3/4	Yes
Mr. Sanjay Kumar Agarwal	4/4	Yes
Mr. Deepak Agarwal	4/4	Yes
Mr. Dev Kumar Tiwari	3/4	Yes
Mr. Bhagwan Shaw <sup>1</sup>	1/2	No
Mr. Venkata Krishna Nageshwara Rao Majji <sup>2</sup>	1/3	No
Mr. Ashok Kumar Jaiswal	2/4	Yes
Mr. Ajay Choudhury <sup>3</sup>	3/3	Yes
Mr. Kishan Gopal Baldwa	4/4	Yes
Mr. Yudhvair Singh Jain	4/4	Yes
Ms. Rajni Mishra	4/4	Yes
Mr. Nand Gopal Khaitan <sup>4</sup>	1/1	No

Notes:

1. Mr. Bhagwan Shaw, Executive Director had resigned on 8th November, 2022.
2. Mr. Venkat Krishna Nageshwara Rao Majji, Independent Director had resigned on 14th February, 2023
3. Mr. Ajay Choudhury, Independent Director had resigned on 14th February, 2023
4. Mr. Nand Gopal Khaitan has been appointed as an Independent Director of the Company for a period of five consecutive years commencing 14th February, 2023 till 13th February, 2028



The Board has devised proper system to ensure compliance with provisions of all applicable laws and periodically reviewed the compliance reports of all laws applicable to the Company and necessary steps were taken to ensure the compliance in letter and spirit.

### Directorship, Committee membership and Chairmanship

The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s) and Committee Chairmanship/ name of listed entities where he/she is a Director and category of Directorship as on date of this report are provided herein below:

Name of the Director	Number of Directorship in other Public Limited Companies *	Number of Membership including Chairmanship of Board Committee(s) **	Name of listed entities where he/she is a Director and category of Directorship (1. Non-Independent, Non-Executive 2. Independent, Non-Executive)
Mr. Mahabir Prasad Agarwal	2	-	-
Mr. Brij Bhushan Agarwal	3	-	Star Cement Limited <sup>1</sup>
Mr. Sanjay Kumar Agarwal	3	1	-
Mr. Deepak Agarwal	1	-	-
Mr. Dev Kumar Tiwari	1	-	-
Mr. Ashok Kumar Jaiswal	-	-	-
Mr. Kishan Gopal Baldwa	-	-	-
Mr. Yudhvair Singh Jain	3	2	-
Mrs. Rajni Mishra§	3	2	Tunkai India Ltd. <sup>2</sup> Alpine Commercial Co Ltd. <sup>2</sup>
Mr. Nand Gopal Khaitan#	6	9	Mangalam Cement Ltd. <sup>2</sup> Reliance Chemotex Industries Ltd. <sup>2</sup> India Power Corporation Ltd. <sup># 2</sup> AGI Greenpac Ltd. <sup>2</sup> JK Lakshmi Cement Ltd. <sup>2</sup> Hindware Home Innovation Ltd. <sup>2</sup>

\* Includes private companies that are holding or subsidiary of the public company but excluding Companies under Section 8, Foreign Companies and dormant companies.

\*\* Memberships/Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in other Public Limited Companies have been considered as per SEBI Regulations.

# Mr. Nand Gopal Khaitan had resigned from India Power Corporation Ltd. with effect from 24 April, 2023.

§ Mrs. Rajni Mishra had resigned from Tunkai India Ltd. with effect from 10 May, 2023.

### Disclosure of Relationship Between Directors inter-se

Mr. Brij Bhushan Agarwal Vice Chairman & Managing Director is Son and Mr. Sanjay Kumar Agarwal, Joint Managing Director is nephew of Mr. Mahabir Prasad Agarwal, Chairman of the Company.

### Details of Shares and Convertible Instruments held by Non- Executive Directors

Shareholding of non-executive directors are given in details under the Remuneration section of the Corporate Governance Report.

### Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') formulates and recommends to the Board the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Policy for appointment and removal of Directors and determining Directors' independence is available on our website at [https://www.shyammetalics.com/wp-content/uploads/2021/08/SMEL\\_Policy-Doc\\_Nomination-and-Remuneration.pdf](https://www.shyammetalics.com/wp-content/uploads/2021/08/SMEL_Policy-Doc_Nomination-and-Remuneration.pdf).

### Induction and Familiarization Program for Directors

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarize them with the Company, nature of the industry in which the Company operates and other such areas. The members of the Board of Directors are well acquainted with the industry and are provided necessary reports, documents and other presentations including interactive session with the Chairman, Vice Chairman & Managing Director and other functional heads of the Company. Efforts are made to familiarize the Directors about their roles, rights, and responsibilities. The Directors are regularly updated on the changes in policies, laws and regulations and other developments in the business. The details of the Director's induction and familiarization are available on the Company's website at [https://www.shyammetalics.com/wp-content/uploads/2021/08/SMEL\\_Policy-Doc\\_Familiarisation-Prog.pdf](https://www.shyammetalics.com/wp-content/uploads/2021/08/SMEL_Policy-Doc_Familiarisation-Prog.pdf)

The list of core skills/ expertise/competencies as identified by the Board of Directors as required in the context of business and sector for it to function effectively and those actually available with the Board of Directors:

Industry, Leadership, Accounts & Finance, Taxes, Production, Technical, Logistics, Legal, Sales, Marketing, Branding, Risks, Administration and General Management, Board procedures and Governance.

### Remuneration Policy for Board and Senior Management

The Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ("KMP") and all other employees of the Company. The same is available on our website at [https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL\\_Policy-Doc\\_Nomination-and-Remuneration.pdf](https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_Policy-Doc_Nomination-and-Remuneration.pdf). Details of remuneration for Directors in FY2022-23 forms part of this Annual Report.

### List of Directors possessing the skills / expertise and competencies:

Name of Directors	Skills/Expertise and Competencies							
	Leadership	Strategy	Operations	Technology	Finance	Governance	Marketing	Government/ Regulatory Affairs
Mr. Mahabir Prasad Agarwal	√	√	√		√			√
Mr. Brij Bhushan Agarwal	√	√	√	√	√	√	√	√
Mr. Sanjay Agarwal	√	√	√	√	√	√	√	√
Mr. Deepak Agarwal	√	√	√	√	√	√		√
Mr. Dev Kumar Tiwari	√	√	√	√				√
Mr. Ashok Kumar Jaiswal					√	√		√
Mr. Kishan Gopal Baldwa					√	√		√
Mr. Yudhvir Singh Jain					√	√		√
Ms. Rajni Mishra				√		√		√
Mr. Nand Gopal Khaitan						√		√

### Board Meetings and Procedures

The Board meets at regular intervals to discuss and decide on the policies and strategies with respect to the business of the Company apart from normal business. The Board generally meets at least once every quarter to review the Quarterly results. Additional meetings are held as and when deemed necessary.

All the meetings are scheduled well in advance and notices are sent to all the Directors through the permitted mode. In case a meeting is called at shorter notice to transact urgent business, requirements of Section 173(3) of the Act are complied with. The agenda of the meeting are backed by necessary supporting information and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman and consent of the members. Drafts minutes of the proceedings of the Board/Committee Meetings are circulated in advance and comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The Board periodically reviews compliance reports of all laws applicable to the Company. Information about major events/ items is placed before the Board and approval of the Board is taken on all such matters wherever such approval is required. Senior executives of the Company are invited as and when required to provide additional inputs or clarifications required on agenda items being discussed in the Board Meeting.

### Letter of appointment issued to Independent Directors

The IDs on the Board of the Company are given a formal appointment letter inter alia containing the term of appointment, role, duties and responsibilities, time commitment, remuneration, insurance, code of conduct training and development, performance evaluation process disclosure, confidentiality, etc. The terms and conditions of appointment of IDs are available on the Company's website at <https://www.shyammetals.com/wp-content/uploads/2023/03/Terms-and-Conditions-ID.pdf>.

## Information provided to the Board

During FY23, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration.

## Separate Meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on 14th February, 2023 without the presence of Non-Independent Directors and Members of the Management. The meeting of the Independent Directors was chaired by Mr. Kishan Gopal Baldwa, Independent Director and Chairperson of the Audit Committee. The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board after considering the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

## Audit Committee:

The Company has a qualified and independent Audit Committee. The terms of reference, role, scope and composition of Audit Committee are in accordance with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee acts as a link between the management, the statutory and internal auditors and Board of Directors to oversee the financial reporting process.

As on the date of this report, the Committee consists of 4 (four) Directors, who bring with them vast experience in the field of accounts, finance & operations. The Company has been immensely benefited from the deliberations of the Audit Committee. Besides the Committee members, Director-Finance, Chief Financial Officer and other functional heads and Auditors (Statutory/Internal/Cost) of the Company are invited to attend the meeting, as and when required.

The Chairman of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee.

The Audit Committee met 4 (four) times during the Financial Year 2022-23. The meetings were held on 18th May, 2022, 2nd August, 2022, 9th November, 2022 and 14th February, 2023. The requisite quorum was present for all the meetings.

The composition of the Audit Committee and the details of meetings attended by the members during the Financial Year 2022-23 are as under:

Name of the Director	Category	No. of Committee Meetings Attended out of (/) total No. of Meetings held
Mr. Kishan Gopal Baldwa	Chairman – Independent, Non-Executive	4/4
Mr. Ashok Kumar Jaiswal	Member - Independent, Non-Executive	3/4
Mr. Yudhvir Singh Jain	Member – Independent, Non-Executive	4/4
Mr. Sanjay Kumar Agarwal	Member -Executive	3/4

## Brief terms of reference of the Audit Committee:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgement by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Modified opinion(s) in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing / monitoring with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- To review utilization of loans and / or advances from / investments by the holding company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

### Nomination and Remuneration Committee

The composition of the Nomination & Remuneration Committee is in line with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. As on the date of this report, the committee comprised of three members wherein majority of them are Non-Executive Independent Directors.

Four meetings of Nomination and Remuneration Committee meetings were held during the Financial Year 2022-23 i.e. on 18th May, 2022, 2nd August, 2022, 9th November, 2022 and 14th February, 2023.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors are as under:

Name of the Director	Category	No. of Committee Meetings Attended out of total no. of meetings held
Kishan Gopal Baldwa <sup>1</sup>	Chairman - Independent, Non-Executive	1/1
Ashok Kumar Jaiswal	Member - Independent, Non-Executive	3/4
Mahabir Prasad Agarwal	Member – Non-Independent, Non-Executive	3/4
Ajay Choudhary <sup>2</sup>	Chairman - Independent, Non-Executive	4/4

Notes:

1. Due to resignation of Mr. Ajay Choudhary on 14 February, 2023, Mr. Kishan Gopal Baldwa was appointed as the Chairman - Independent, Non-Executive Director of the Nomination & Remuneration Committee of the Company
2. Mr. Ajay Choudhary, Chairman - Independent, Non-Executive Director had resigned on 14 February, 2023.

The Company Secretary acts as Secretary to the Committee.

Pursuant to section 178 of the Companies Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved & adopted the terms of reference of the Committee. Given below, inter-alia, is a gist of the terms of reference of the Nomination & Remuneration Committee.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors, a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
  - formulation of criteria for evaluation of performance of independent directors and the board of directors;
  - devising a policy on diversity of board of directors;
  - identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
  - whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  - recommend to the board, all remuneration, in whatever form, payable to senior management.

### Performance Evaluation criteria for Independent Directors

The NRC has formulated a Policy for the Board, its Committees and Directors and the same has been approved and adopted by the Board. The details of Board Evaluation forms part of the Board's Report.

### Remuneration to Directors

The Board of Directors of the Company has already adopted a policy for remuneration of the Board Members, Key Management Personnel (KMPs) & Senior Management Personnel (SMPs) in adherence with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 178 of the Companies Act, 2013 and Rules made there under.

#### (a) Remuneration to Non-Executive Directors:

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees. Beside the sitting fees, they are also entitled to re-imbusement of expenses for attending the meetings of the Board of Directors and its Committees. The Non-Executive Directors of the Company were not paid any other remuneration or commission.

The Non-Executive Directors are paid remuneration based on the criteria as mentioned in the Nomination Policy of the Company which is available at the weblink: [https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL\\_Policy-Doc\\_Nomination-and-Remuneration.pdf](https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_Policy-Doc_Nomination-and-Remuneration.pdf)

#### (b) Remuneration to Executive Directors:

Remuneration policy/criteria of payment to Executive Directors:

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs). Their remuneration is governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD / WTDs is subject to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, members in due compliance of the provisions of Companies Act, 2013 and other applicable rules made there under.

### Remuneration paid to the Directors:

The details of remuneration paid to Whole-time Directors and Sitting Fees paid to Non-Executive Directors for the Financial Year 2022-2023 are as below:

S.No	Name of the Director	Designation	Salary	Sitting Fees	No. of Shares held as on 31.03.2023
1.	Mr. Mahabir Prasad Agarwal	Chairman, Director	-	-	2,525
2.	Mr. Brij Bhushan Agarwal	Vice - Chairman & Managing Director	2,25,00,000	-	2,32,84,820
3.	Mr. Sanjay Kumar Agarwal	Joint Managing Director	45,00,000	-	31,580
4.	Mr. Deepak Agarwal	Whole Time Director	45,50,000	-	3420
5.	Mr. Dev Kumar Tiwari	Whole Time Director	42,89,109	-	-
6.	Mr. Bhagwan Shaw	Whole Time Director	3,93,047	-	-
7.	Mr. Ajay Choudhury	Independent Director	-	1,05,000	-
8.	Mr. Ashok Kumar Jaiswal	Independent Director	-	1,25,000	-
9.	Mr. Kishan Gopal Baldwa	Independent Director	-	1,75,000	200
10.	Mr. Yudhvir Singh Jain	Independent Director	-	2,35,000	100
11.	Mr. Venkata Krishna Nageswara Rao Majji	Independent Director	-	-	-
12.	Ms. Rajni Mishra	Independent Director	-	1,15,000	-
13.	Mr. Nand Gopal Khaitan	Independent Director	-	25,000	-
	<b>Total</b>		<b>3,62,32,156</b>	<b>7,80,000</b>	<b>2,33,22,645</b>

### Remuneration paid to Key Managerial Personnel:

The details of remuneration paid to Key Managerial Personnel for the Financial Year 2022-2023 are as below:

S.No	Name of the Director	Designation	Salary	No. of Shares held as on 31.03.2023
1.	Mr. Birendra Kumar Jain	Company Secretary	15,96,407	40
2.	Mr. Shree Kumar Dujari*	Chief Financial Officer	21,22,407	2710

\*Notes: 1. During the financial year, Mr. Shree Kumar Dujari, Chief Financial Officer resigned on 8 November, 2022 due to personal reason.

2. Simultaneously, Mr. Deepak Agarwal was appointed as the Chief Financial Officer of the Company w.e.f 5 May, 2023.

### Service Contracts, Severance Fee, Notice Period and Stock Options

The appointment of the Executive Directors is governed by resolutions passed by the Board and the Shareholders of the Company. The service contracts entered into with them are in accordance with the Remuneration policy of the Company, which covers the terms and conditions of such appointment. There are no separate provisions for payment of severance fee under the resolutions governing the appointment of Executive Directors. A notice of three months is required to be given by a Director seeking to vacate office and the resignation takes effect upon the expiration of the notice or its earlier acceptance by the Board.

The Company has no stock option plans and hence such instruments do not form a part of the remuneration package payable to any Executive and/or Non-Executive Director. During the year under review, none of the Director was paid any bonus, pension or performance linked incentive.

### Pecuniary Relationship or transactions of Non-Executive Directors with the Company

There is no pecuniary relationship or transactions of the Non- Executive Directors vis a-vis the Company except for the sitting fees paid to them for attending the Board and Committee Meetings and reimbursement of expenses for attending the Board and Committee Meetings.

### Stakeholders' Relationship Committee

The Stakeholders Relationship Committee has been constituted to specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders to align with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Stakeholder Relationship Committee meetings were held on 18th May, 2022, 2nd August, 2022, 9th November, 2022 and 14th February, 2023 during the Financial Year 2022-23.

The Committee comprises of three Directors. The Composition of Stakeholders Relationship Committee and the details of the meeting attended by the members are as follows:

Name of the Member	Category	Designation	No. of Committee Meetings attended out of total no. of meetings held
Mr. Ashok Kumar Jaiswal	Non-Executive, Independent	Chairman	3/4
Mr. Sanjay Kumar Agarwal	Executive, Non-Independent	Member	4/4
Mr. Yudhvir Singh Jain	Non-Executive, Independent	Member	4/4

The Company Secretary acts as Secretary to the Committee.

### Terms of reference of the Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Name and Designation of Compliance Officer

Mr. Birendra Kumar Jain - Company Secretary & Compliance Officer

Name and Designation of Contact Person of Registrars and Share Transfer Agent of the Company

Ms. Swati Reddy – Manager "M/s Kfin Technologies Limited"

During the year i.e. from 01.04.2022 to 31.03.2023, the status of complaints are as under:

Complaints pending as on 01.04.2022 — Nil

Complaints received from Investors — 50

Complaints replied/resolved — 50

Complaints pending as at 31.03.2023 — Nil

### RISK MANAGEMENT COMMITTEE (RMC)

The Board of Directors has constituted a Risk Management Committee in its meeting held on 15th March, 2022 in terms of Regulation 21 of the Listing Regulations. The Chairman of the Audit Committee is also the Chairman of the Risk Management Committee.

Based on the recommendation of the Audit Committee, the Board of Directors has adopted a Risk Management Policy. The RMC makes assessment of the framework of the Risk assessment process and assess the potential Risks and concerns for the company as well as suggests the best course of action to mitigate and avoid such risks.

During the Financial Year 2022-23, the Risk Management Committee Meetings were held on 18th May, 2022, 9th November, 2022 and 14th February, 2023. The requisite quorum was present for all the meetings.

The Committee comprises of 4 (four) Directors. The Composition of Risk Management Committee and the details of the meeting attended by the members are as follows:

Name of the Member	Category	Designation	No. of Committee Meetings attended out of total no. of meetings held
Mr. Kishan Gopal Baldwa	Non-Executive Independent Director	Chairman	2/3
Mr. Brij Bhushan Agarwal	Executive Director	Member	3/3
Mr. Deepak Agarwal	Executive Director	Member	3/3
Mr. Yudhvir Singh Jain	Non-Executive Independent Director	Member	2/3

The brief terms of reference of the committee are:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
- Overseeing key risks, including strategic, financial, operational, IT (including cyber security) and compliance risks;
- Assisting the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the Risk Policy;
- Developing risk management policy and risk management system / framework for the Company.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was initially constituted by our Board of Directors at their meeting held on December 13, 2014 pursuant to the requirement of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board in its meeting held on 15th May, 2018 has approved the CSR Policy as formulated and recommended by CSR Committee in accordance with the requirements of the Companies Act, 2013 and rules made thereunder. The same was amended from time to time pursuant to the relevant amendments notified by the Ministry of Corporate Affairs.

The brief terms of reference of the committee are:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in Schedule VII of the Companies Act, 2013;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- To formulate and recommend to the Board, an annual action plan in pursuance to the CSR Policy;
- To oversee that Company's CSR Implementing Agencies are registered with the Ministry of Corporate Affairs;
- To monitor all the compliances w.r.t CSR Spending, Transfer of unspent amount, setting off the excess amount spend, ongoing projects, etc.

The Corporate Social Responsibility Committee meetings were held on 18th May, 2022, 2nd August, 2022, 9th November, 2022 and 14th February, 2023 during the Financial Year 2022-23.



The Composition of Corporate Social Responsibility Committee and the details of the meeting attended by the members are as follows:

Name of the Member	Category	Designation	No. of Committee Meetings attended (/) out of the total no. of meetings held
Mr. Mahabir Prasad Agarwal	Executive, Non-Independent	Chairman	4/4
Mr. Brij Bhushan Agarwal	Executive, Non-Independent	Member	4/4
Mr. Ajay Choudhary*	Non-Executive	Member	3/3
Ms. Rajni Mishra*	Non-Executive	Member	1/1

\*Mr. Ajay Choudhary has resigned w.e.f 14th February, 2023 and accordingly Ms. Rajni Mishra was appointed as Member of CSR Committee on 14th February, 2023.

The CSR Policy of the Company is available on the Company's website at: [https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL\\_Policy-Doc\\_CSR-Policy.pdf](https://www.shyammetals.com/wp-content/uploads/2021/08/SMEL_Policy-Doc_CSR-Policy.pdf)

### Other Committees of Board of Directors

The Company also have Executive Committee. The terms of reference of this Committee is determined by the Board and its relevance reviewed is from time to time. Meetings of each of this Committee is convened by the Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

### General Body Meetings

Particulars of last three Annual General Meetings:

Financial Year	Venue	Date and time	Special Business requiring Special Resolution
2021-2022	Through Video Conference/Other Audio-Visual Means (OAVM)	26th September, 2022 at 3:00 P.M	<ul style="list-style-type: none"> <li>Alteration in the Main Object Clause of the Memorandum of Association of the Company.</li> <li>To consider and approve Raising of Funds</li> </ul>
2020-2021	Through Video Conference/Other Audio-Visual Means (OAVM)	18th September, 2021 at 2.00 p.m.	Nil
2019-2020	Trinity Tower, 7th Floor, 83, Topsia Road, Kolkata -700 046	31st December, 2020 at 4.00PM.	Nil

### Extra-Ordinary General Meeting

During the F.Y. 2022-23, no extra-ordinary general meeting was held.

## Postal Ballot

During FY 2022-23, the Company sought the approval of the shareholders by way of postal ballot, the details of which are given below:

Postal Ballot Notice	Type of Resolution	Agenda	Details
9 November, 2022	Special	<ul style="list-style-type: none"> <li>Re-Appointment of Mr. Ajay Choudhury (Din: 00040825) as Independent Non-Executive Director of the Company for another period of 5 (five) years w.e.f. 6th April, 2023 till 5th April, 2028.</li> <li>Re-Appointment of Mr. Ashok Kumar Jaiswal (Din: 00545574) as Independent Non-Executive Director of the Company for another period of 5 (five) years w.e.f. 16th January, 2023 till 15th January, 2028.</li> <li>Re-Appointment of Mr. Yudhvir Singh Jain (Din: 06507365) as Independent Non-Executive Director of the Company for another period of 5 (five) years w.e.f. 16th January, 2023 till 15th January, 2028.</li> <li>Re-Appointment of Mr. Kishan Gopal Baldwa (Din: 01122052) as Independent Non-Executive Director of the Company for another period of 5 (five) years w.e.f. 15th May, 2023 till 14th May, 2028.</li> </ul>	The voting period for remote e-voting commenced on 1 December, 2022 at 9.00 a.m. (IST) and ended on 30 December, 2022 at 5.00 p.m. (IST). The consolidated report on the result of the postal ballot through remote e-voting for approving the aforementioned resolutions was provided by the Scrutiniser on 02 January, 2023.
14 February, 2023	Special	<ul style="list-style-type: none"> <li>Appointment of Mr. Nand Gopal Khaitan (Din: 00020588) as Independent Non-Executive Director of the Company for a term of 5 (five) years w.e.f. 14th February, 2023 till 13th February, 2028.</li> </ul>	The voting period for remote e-voting commenced on 6 April, 2023 at 9.00 a.m. (IST) and ended on 5 May, 2023 at 5.00 p.m. (IST). The consolidated report on the result of the postal ballot through remote e-voting for approving the aforementioned resolutions was provided by the Scrutiniser on 8 May, 2023.

The details of e-voting on the aforementioned resolution(s) are provided hereunder:

### Re-appointment of Mr. Ajay Choudhury (DIN: 00040825) as Independent Non-Executive Director of the company for second term of 5 (Five) Years from 6th April, 2023 to 5th April, 2028.

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who voted	No. of votes cast	No. of Ballots	No. of votes cast	No. of Members who voted	No. of votes cast	% of total number of valid votes cast
Voted in favour of the resolution	681	235,703,040	NA	NA	681	235,703,040	99.9985
Voted against the resolution	68	3,563	NA	NA	68	3,563	0.0015
<b>Total</b>	<b>749</b>	<b>235,706,603</b>	<b>NA</b>	<b>NA</b>	<b>749</b>	<b>235,706,603</b>	<b>100</b>

### Re-appointment of Mr. Ashok Kumar Jaiswal (DIN: 00545574) as Independent Non-Executive Director of the company for second term of 5 (Five) Years from 16th January, 2023 to 15th January, 2028.

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who voted	No. of votes cast	No. of Ballots	No. of votes cast	No. of Members who voted	No. of votes cast	% of total number of valid votes cast
Voted in favour of the resolution	680	235,703,131	NA	NA	680	235,703,131	99.9986
Voted against the resolution	66	3,335	NA	NA	66	3,335	0.0014
<b>Total</b>	<b>746</b>	<b>235,706,466</b>	<b>NA</b>	<b>NA</b>	<b>746</b>	<b>235,706,466</b>	<b>100</b>

**Re-appointment of Mr. Yudhvir Singh Jain (DIN: 06507365) as Independent Non-Executive Director of the company for second term of 5 (Five) Years from 16th January, 2023 to 15th January, 2028.**

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who voted	No. of votes cast	No. of Ballots	No. of votes cast	No. of Members who voted	No. of votes cast	% of total number of valid votes cast
Voted in favour of the resolution	676	235,702,843	NA	NA	676	235,702,843	99.9985
Voted against the resolution	67	3,555	NA	NA	67	3,555	0.0015
<b>Total</b>	<b>743</b>	<b>235,706,398</b>	<b>NA</b>	<b>NA</b>	<b>743</b>	<b>235,706,398</b>	<b>100</b>

**Re-appointment of Mr. Kishan Gopal Baldwa (DIN: 01122052) as Independent Non-Executive Director of the company for second term of 5 (Five) Years from 15th May, 2023 to 14th May, 2028.**

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who voted	No. of votes cast	No. of Ballots	No. of votes cast	No. of Members who voted	No. of votes cast	% of total number of valid votes cast
Voted in favour of the resolution	673	235,501,350	NA	NA	673	235,501,350	99.9130
Voted against the resolution	71	205,075	NA	NA	71	205,075	0.0870
<b>Total</b>	<b>230</b>	<b>235,706,425</b>	<b>NA</b>	<b>NA</b>	<b>230</b>	<b>235,706,425</b>	<b>100</b>

**Appointment of Mr. Nand Gopal Khaitan (DIN: 00020588) as Independent Non-Executive Director of the company for a term of 5 (Five) Years from 14th February, 2023 to 13th February, 2028.**

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who voted	No. of votes cast	No. of Ballots	No. of votes cast	No. of Members who voted	No. of votes cast	% of total number of valid votes cast
Voted in favour of the resolution	621	228,184,584	NA	NA	621	228,184,584	97.2775
Voted against the resolution	78	6,386,241	NA	NA	78	6,386,241	2.7225
<b>Total</b>	<b>699</b>	<b>234,570,825</b>	<b>NA</b>	<b>NA</b>	<b>699</b>	<b>234,570,825</b>	<b>100</b>

**Procedure for Postal Ballot:** The Postal Ballot was carried out as per the provisions of Sections 108, 110 and other applicable provisions, if any, of the Act, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, each as amended and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs. The Company had provided the facility to the shareholders to exercise their votes electronically and vote on the resolutions through the e-voting service facility arranged by NSDL.

The Company had engaged the services of National Securities Depository Limited (NSDL) for providing remote e-Voting facilities to the Members, enabling them to cast their vote electronically and in a secure manner.

The Board of Directors had appointed Mr. Raj Kumar Banthia (ACS- 17190), partner of M/s. MKB & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner.

The resolutions were passed by the requisite majority on 30th December, 2022 and 5th May, 2023 through the e-voting process.

**Details of special resolution proposed to be conducted through Postal Ballot:**

No special resolution is proposed to be passed through postal ballot.

## Means of Communication

The quarterly, half-yearly and the annual financial results are published in the proforma prescribed under the SEBI (LODR) Regulations, in one English Newspaper (in Financial Express) having wide circulation and another in the vernacular language in Bengali (in Dainik Lipi) and in Hindi (Jansatta). Moreover, the quarterly/annual results, Earnings calls with analysts and investors and official news releases along with various other information, are sent to the Stock Exchanges, as well as also hosted on Company's website i.e. www.shyammetalics.com.

All disclosures as required under the SEBI Listing Regulations are made to respective Stock Exchanges where the securities of the Company are listed. The same are also available on the Company's website at www.shyammetalics.com

## General shareholder information

<b>Incorporation</b>	The Company was incorporated in Calcutta, in the State of West Bengal on December 10, 2002
<b>Corporate Identification Number (CIN)</b>	L40101WB2002PLC095491
<b>Date, time and venue/Mode of AGM</b>	21st September, 2023, at 3.00 P.M. through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)
<b>Financial Year</b>	1st April to 31st March
<b>1st quarter results by</b>	2nd week of August, 2023
<b>2nd quarter results by</b>	2nd week of November, 2023
<b>3rd quarter results by</b>	2nd week of February, 2024
<b>4th quarter results by</b>	3rd / 4th Week of May, 2024
<b>Date of Book Closure</b>	15th September, 2023 to 21st September, 2023 (both days inclusive)

## Dividend paid during the financial year:

SL. No.	F.Y.	Type of Dividend	Date of Payout	Dividend per Share (In ₹)
1.	2022-23	Interim Dividend	25th August, 2022	1.80/-
2.	2022-23	Final Dividend (2021-22)	14th October, 2022	2.70/-

## Listing on Stock Exchanges

Your Company's shares are listed on the following Stock Exchanges:

### BSE Limited

25, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
Email: corp.relations@bseindia.com  
Website: www.bseindia.com  
Scrip code: 543299  
ISIN: INE810G01011

### National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai- 400051  
Email: cmlist@nse.co.in  
Website: www.nseindia.com  
Scrip symbol: SHYAMMETL  
ISIN: INE810G01011

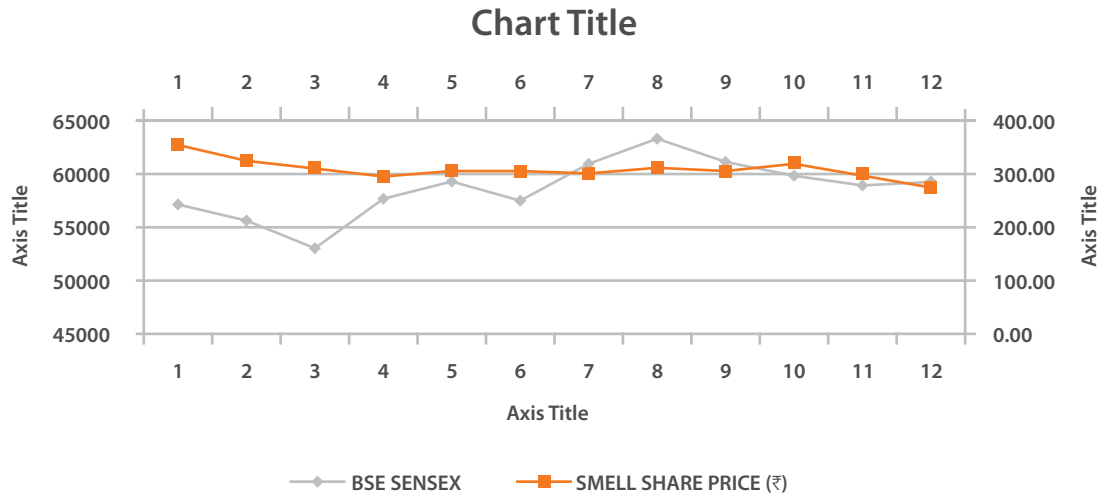
The Company has paid the requisite Annual Listing and Custodial Fees to the Stock Exchanges and Depositories viz. CDSL and NSDL for the year 2023-24.

## High / Low share price data

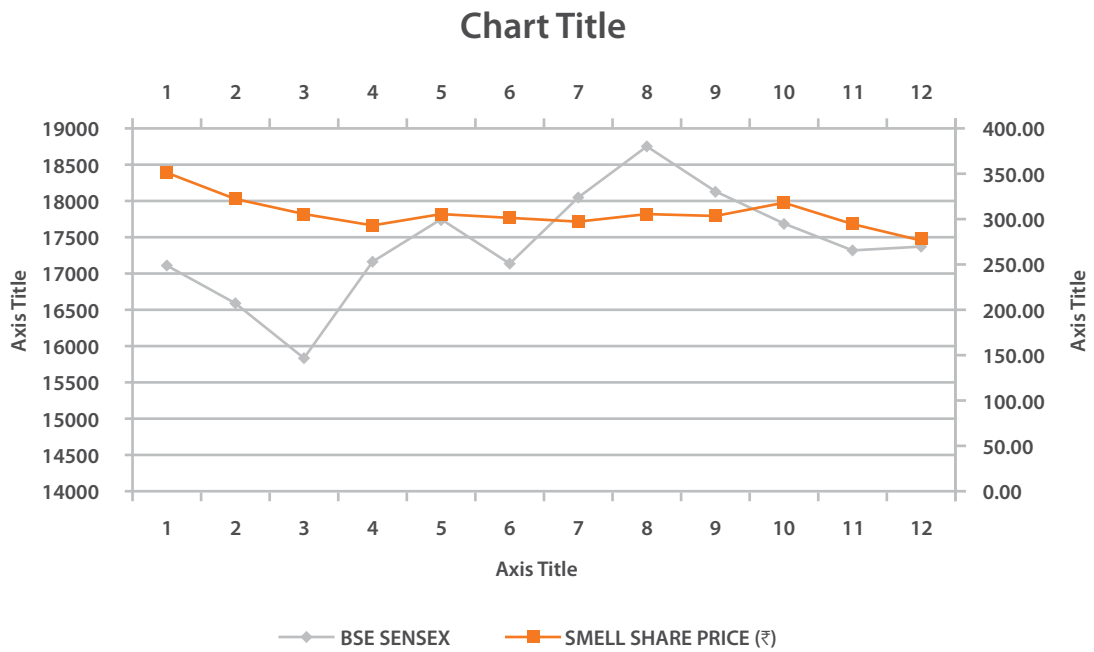
The details of transactions in the Company's equity shares at the BSE Limited and National Stock Exchange of India Limited, during the financial year and the respective high / low price data are given below:

BSE Limited				National Stock Exchange Limited			
Month	High (in ₹)	Low (in ₹)	Volume (shares)	Month	High (in ₹)	Low (in ₹)	Volume (shares)
Apr 22'	377.80	322.00	523635	Apr 22'	377.50	322.00	5154963
May 22'	346.45	294.50	856318	May 22'	346.70	291.10	5507299
Jun 22'	329.35	273.00	232722	Jun 22'	329.40	273.10	2000398
Jul 22'	306.90	274.25	160127	Jul 22'	306.60	274.25	1621271
Aug 22'	306.00	290.00	299720	Aug 22'	314.05	284.95	2104177
Sep 22'	308.25	285.05	386327	Sep 22'	308.50	285.00	3531977
Oct 22'	308.85	280.50	236938	Oct 22'	309.80	280.05	2313809
Nov 22'	314.95	289.10	191677	Nov 22'	314.70	289.25	2892534
Dec 22'	318.55	279.10	452150	Dec 22'	317.75	282.00	4837707
Jan 23'	334.70	294.40	413698	Jan 23'	334.90	294.25	4412378
Feb 23'	314.00	268.50	264813	Feb 23'	303.70	276.10	2227273
Mar 23'	287.85	253.05	409596	Mar 23'	287.95	254.55	3248401

The performance in comparison to broad-based indices such as BSE Sensex is given below:



The performance in comparison to broad-based indices such as NSE (Nifty) is as follows:



None of the Company's securities have been suspended from trading.

#### Registrar and Share Transfer Agent

In compliance with the SEBI directive, the Company has appointed KFin Technologies Ltd, as its Registrar and Share Transfer Agent having registered office at:

Selenium Building, Tower – B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana, 500032,

Email id:- einward.ris@kfintech.com,

Telephone 1800-309-4001 for all matters relating to shares, both in physical as well as in dematerialized mode.

However, documents relating to shares are also received at the Company's Registered Office at Trinity Tower, 83, Topsia Road, 7th Floor, Kolkata-WB 700046 Tel. No: (033) 4011 1000, Fax No: (033) 4011 1031

#### Investor grievance and share transfer system

The Company has a Board-level Stakeholders' Relationship Committee to examine and redress investors' complaints. The status on complaints and share transfers are reported to the entire Board.

As per Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended, Physical transfer of shares has been dispensed with and securities of listed companies can be transferred only in dematerialized form w.e.f. 1st April, 2019. Effective from 24th January, 2022, SEBI has mandated for Listed Companies to issue shares in demat form only, after processing the requests in prescribed Form ISR-4 received for issue of duplicate certificate, transmission, transposition, renewal/ exchange of share certificate, endorsement, sub-division/ splitting of certificate, consolidation of certificates, claim from Unclaimed Suspense Account, etc. The RTA will after be processing such requests issue a Letter of Confirmation to the concerned shareholder for submission to DP within 120 days from the date of issue of Letter of Confirmation for dematerialisation of shares. In case shareholder fails to submit the demat request within the aforesaid period, the RTA shall credit the shares to Suspense Escrow Demat Account of the Company.

The Company, on receipt of proper documentation, registers transmission of its securities in the name of the nominee/ legal heir and issue certificates or receipts or advices, as applicable, of the same; or issue any valid objection or intimation to them, as the case may be, within a period of fifteen days from the date of receipt of request.

All communications regarding share certificates, change of address, dividends, etc. should be addressed to the RTA. Transfer of shares in electronic form were processed and approved by NSDL and CDSL through their Depository Participant without the involvement of the Company.

As required under Regulation 40(9) of the Listing Regulations, the Company had obtained for the year under review a certificate from a Company Secretary in Practice, confirming due compliance of share transfer formalities and also filed a copy of the said certificate with the stock exchanges.

#### Distribution of shareholding as on 31st March, 2023

Sl.no	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 – 5000	153957	97.48	8592710	3.37
2	5001 – 10000	2218	1.40	1725354	0.68
3	10001 – 20000	929	0.59	1391792	0.55
4	20001 – 30000	319	0.20	822729	0.32
5	30001 – 40000	114	0.07	412138	0.16
6	40001 – 50000	95	0.06	448211	0.18
7	50001 - 100000	147	0.10	1084494	0.42
8	100001 and above	162	0.10	240603260	94.32
	<b>TOTAL:</b>	<b>157941</b>	<b>100.00</b>	<b>255080688</b>	<b>100.00</b>

**Shareholding pattern of the Company as on March 31, 2023:**

Particulars	No. of shares	% of shares
Promoter & Promoter Group	22,53,74,808	88.35%
Mutual Funds	68,93,208	2.70
Alternate Investment Funds	1,47,832	0.06
Insurance Companies	9,65,853	0.38
Foreign Portfolio Investors	16,53,797	0.65
Directors and their relatives (excluding independent directors and nominee directors)	3,420	0
Key Managerial Personnel	40	0
Resident Individuals	1,55,35,423	6.09
Non Resident Indians	4,01,042	0.16
Bodies Corporate	31,65,487	1.24
Trusts	1,61,776	0.07
HUF	7,41,419	0.29
Clearing Members	36,583	0.01
<b>Total</b>	<b>25,50,80,688</b>	<b>100</b>

**Dematerialization of shares and liquidity**

As on 31st March, 2023, 25,50,80,688 shares comprising of 100 % of the paid-up capital of the Company are in dematerialized mode. The promoters of the Company, holds around 88.35% of the Paid-up Capital of the Company, as on 31st March, 2023.

**Demat ISIN Number of Company's Equity Shares for NSDL and CDSL:** INE810G01011

**Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and the likely impact on equity:** None

**Commodity Price Risk or Foreign Exchange Risk and Hedging Activity**

Since the Company does not have any commodity price risk exposure hedged through commodity derivatives, accordingly, other details as required under SEBI Circular No. SEBI / HO / CFD / CMD1 / CIR / P / 2018 / 0000000141 dated November 15, 2018 are not applicable to the Company.

The Company is exposed to risk the price fluctuation of raw materials as well as finished goods. The Company manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement. Accordingly, requirement of hedging is minimal. During the Financial Year 31, 2023, the Company had managed the foreign exchange risk and hedged to the extent necessary. The Company entered into Forward Contracts and Packing Credit in foreign currency (PCFC) for hedging foreign exchange exposures against export / import.

Further details relating to risks and activities including financial risk management have been adequately disclosed in Note No. 43 to the Notes to the Standalone Financial Statements for the financial year ended March 31, 2023.

**Plant Location:****SHYAM METALICS AND ENERGY LIMITED**

Sambalpur Village: Pandloi, PO: Lapanga, Dist: Sambalpur, Pin: 768212 (Odisha)

Address for correspondence	Company Secretary & Compliance Officer Shyam Metalics and Energy Limited "TRINITY TOWER" 83 TOPSIA ROAD, 7th FLOOR KOLKATA WB 700046 IN Tel: 033-40164000 Fax: 033-4016 4025
E-mail ID for investors' grievance	compliance@shyamgroup.com

**Credit Rating**

Date	Facility Type	Rating	Rating Agency
8th July,2022	Long-term Rating	CRISIL AA/Stable (Upgraded from CRISIL AA-/Positive)	CRISIL Rating Limited
	Short-term Rating	CRISIL A1+ (Reaffirmed)	
	Commercial Paper	CRISIL A1+ (Reaffirmed)	

List of all credit ratings obtained by the entity along with any revisions thereto, during the relevant financial year are disclosed on the website of the Company.

A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as on 31.03.2023 is attached to this report

The Board has accepted all recommendation of its all Committees, during the year under review

**Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account:** Not applicable as no shares are lying in Suspense Account.

**Details of utilisation of funds:** During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

## OTHER DISCLOSURES

### a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

There were no materially significant related party transactions made by the Company with its Promoters, Directors or the management and its subsidiaries or relatives, among others, that may have potential conflict with the interests of the Company at large and are carried at arm's length basis or fair value. The Register of Contracts containing the transactions in which the Directors are interested, is placed before the Board regularly for its approval. As required under the Listing Regulations, the Company has formulated a policy on dealing with related party transaction and the same is available on the website of the Company i.e. [www.shyammetals.com](http://www.shyammetals.com).

Disclosures of transactions of Shyam Metals and Energy Limited with any person or entity belonging to the promoter/promoter group, which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.

Name of Person or Entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding	Percentage Shareholding as on 31st March, 2023	Type of Transaction During the Year	Amount of Transaction During the Year (₹ in Cr)
Narantak Dealcomm Limited	19.95%	Dividend	22,90,20,327.00
Subham Capital Private Limited	15.99%	Dividend	18,35,35,290.00
Subham Buildwell Private Limited	27.65%	Dividend	31,74,22,921.50

Related party transactions are in the ordinary course of business and are reported to the Audit Committee. Such transactions are disclosed in note no 45 of Notes on Financial Statements in the Annual Report.

### b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:

There were no restriction or penalties imposed on the Company by either the Securities and Exchange Board of India (SEBI) or the Stock Exchanges, or any other statutory authority for non-compliance of any matter related to the capital market.

### c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee:

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. During the year, no person was denied access to the audit committee. The Whistleblower Policy is available on our website, at [www.shyammetals.com](http://www.shyammetals.com).

The Company conducts periodic reviews and reporting to the Board of Directors regarding risk assessment by senior executives with a view to minimize the risk.

### d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including the compliance with the discretionary requirements, as stated under Part E of Schedule II to the Listing Regulations.

### e) Web link where policy for determining 'material' subsidiaries is disclosed:

Policy for Determination of Material subsidiary is available on the website of the Company at the weblink <https://www.shyammetals.com/wp-content/uploads/2023/05/Policy-for-determining-Material-Subsidiary.pdf>



**f) Web link where policy on dealing with related party transactions:**

Policy on dealing with Related Party Transactions is also available on the website of the Company at the weblink <https://www.shyammetalics.com/wp-content/uploads/2023/05/Policy-for-Transaction-with-Related-Parties.pdf>

**g) Disclosure of Commodity Price Risks and commodity hedging activities:**

Since the Company does not have any commodity price risk exposure hedged through commodity derivatives, accordingly, other details as required under SEBI Circular No. SEBI / HO / CFD / CMD1 / CIR / P / 2018 / 000000141 dated November 15, 2018 are not applicable to the Company.

The Company is exposed to risk the price fluctuation of raw materials as well as finished goods. The Company manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement. Accordingly, requirement of hedging is minimal. During the Financial Year 31, 2023, the Company had managed the foreign exchange risk and hedged to the extent necessary. The Company entered into Forward Contracts and Packing Credit in foreign currency (PCFC) for hedging foreign exchange exposures against export / import.

Further details relating to risks and activities including financial risk management have been adequately disclosed in Note No. 43 to the Notes to the Standalone Financial Statements for the financial year ended March 31, 2023.

**h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):** Not applicable**i) A Certificate from a Company Secretary in Practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority:** Attached**j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:**

There were no instances where recommendations of any of the Committee constituted by the Board were not accepted by the Board of Directors.

**k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part of the consolidated Financial Statements.**

M/s. S K Agarwal & Associates, Chartered Accountants LLP, Chartered Accountants were the Statutory Auditors of the Company & the Subsidiary Company (Shyam Sel and Power Limited) and were paid consolidated fees of ₹41.04 lakhs during the financial year 2022-23.

The Financial Statements for 2022-23 were prepared in accordance with the applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013.

**l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

number of complaints filed during the financial year – Nil

number of complaints disposed off during the financial year - Nil

number of complaints pending as on end of the financial year – Nil

**m) Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount as mentioned below:**

Name of the Firms/Companies	Amount (₹ In Crores)
Hrashva Storage & Warehousing Pvt. Ltd.	8.43
Platinum Minmet Pvt. Ltd.	4.94
Shree Venkateshwara Electrocast Pvt. Ltd.	15.17
Whispering Developers Pvt. Ltd.	5.57
Dorite Tracon Pvt. Ltd.	001
Narantak Dealcomm Limited	0.12
S S Natural Resources Pvt. Ltd	107.61
Ramsarup Industries Limited	50.93
Nirjhar Commodities Pvt. Ltd.	0.34
Shyam Metalics Flat Product Pvt. Ltd.	17.59
Shyam Metalics International DMCC	0.27

**n) Details of material subsidiaries:**

Name of the Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditor	Date of Appointment/ Re-appointment of Statutory Auditor
Shyam Sel And Power Ltd.	05/09/1991	West Bengal	S.K. Agarwal & Co., Chartered Accountants LLP	15.09.2021

The Vice Chairman & Managing Director and the Chief Financial Officer of the Company have certified to the Board in accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2023. Such certificate is enclosed to this report as Annexure-A.

Two sets of Codes - Code of Practice and procedures for fair Disclosure of Unpublished Price Sensitive Information & Code of Conduct to regulate, monitor and report trading by insiders/ designated persons have been adopted by the Board, in accordance with SEBI (Prohibition of Insider Trading) Regulation 2015.

The Company has complied with all applicable mandatory requirements of the Listing Regulations during the financial year 2022-23. Quarterly compliance report on Corporate Governance, in the prescribed format, duly signed by the compliance officer is submitted regularly with the Stock Exchanges where the shares of the Company are listed.

The Company has received declaration from all the Directors on the Board of the Company that they are not debarred or disqualified from being appointed or continuing as directors of companies by SEBI/MCA or any other such statutory authority. A certificate received from a Company Secretary in Practice in this regard forms part of this report as Annexure C.

**Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity: NONE**

The quarterly compliance report has been submitted to the stock exchanges where the Company's equity shares are listed in the prescribed format as per SEBI Listing Regulations, 2015, duly signed by the Company Secretary.

**Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** The Company has separate posts of Chairperson and the Managing Director

## DISCRETIONARY REQUIREMENTS

The Company has complied with the requirement specified in Part E of Schedule II as mentioned below:

### The Board

A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties – The same is duly complied as the Chairperson is maintaining his office on Company's expense & also been allowed reimbursement of expenses incurred in performance of his duties.

### Shareholder Rights

A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders– The same has been uploaded in the website of the Company.

### Modified opinion(s) in audit report

The listed entity may move towards a regime of financial statements with unmodified audit opinion – The same is duly complied as the Company has received Audit Report with unmodified opinion.

### Reporting of Internal Auditor

The Internal Auditor may report directly to the Audit Committee – The same is also complied with as the Internal Auditor reports directly to the Audit Committee.

The Company has complied with all the requirements specified under regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and the same is certified by KPA & Co. LLP (Practicing Company Secretary), which is forming part of this Report.

### Disclosure with respect to demat suspense account/unclaimed suspense account:

The details of demat suspense account or unclaimed suspense account, are as below:

- aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year- Nil;
- number of shareholders who approached listed entity for transfer of shares from suspense account during the year-N.A.;
- number of shareholders to whom shares were transferred from suspense account during the year- Nil;
- aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- Nil;
- that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares-N.A.

**Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('Rules'), the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. There is no unpaid/unclaimed dividend for more than 7 years, hence it is not required to transfer any unclaimed dividend and shares to Investor Education and Protection Fund (IEPF).

**Nomination Facility**

Shareholders whose shares are in physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Act, may submit to RTA the prescribed Forms SH-13/SH-14. Further, shareholders who want to opt out of the nomination, may submit Form ISR-3, after cancelling his existing nomination, if any, through Form SH-14.

**Code of Conduct**

The Code of Conduct (hereinafter referred to as 'Code') is applicable to all its Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel had affirmed compliance with the Code during the year and no violation of the same was reported. A declaration to the effect that all Board Members and Senior Management Personnel have complied with the Code during the financial year 2022-2023, duly signed by Vice Chairman & Managing Director of the Company is herein below enclosed. The Code has also been posted on the Company's website.

**Affirmation of Compliance with the Code of Conduct for Board Members and Senior Management Personnel.**

I, Brij Bhushan Agarwal, Vice Chairman & Managing Director of 'Shyam Metals and Energy Limited', hereby declare that the Company has received affirmation of compliance with the 'Code of Conduct for Board members and Senior Management Personnel' laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, to whom the same is applicable in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, for the financial year ended 31st March, 2023.

**Brij Bhushan Agarwal**

Vice Chairman & Managing Director

Dated: 24th May, 2023

## Annexure - A

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

24.05.2023

To  
The Board of Directors  
**Shyam Metals And Energy Limited**

We, Brij Bhushan Agarwal, Vice Chairman & Managing Director and Deepak Agarwal, Chief Financial Officer of 'Shyam Metals and Energy Limited', certify that:

We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2023 and to the best of our knowledge and belief, we state that:

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (b) These statements together present a true and fair value of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended, 31st March, 2023, which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditor and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take for rectifying these deficiencies.

We have indicated to the auditors:

- (i) Significant changes in internal control over financial reporting during the year under reference.
- (ii) There have not been any Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statement; and
- (iii) We are not aware of any instances, during the year, of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over the financial reporting.

**Deepak Agarwal**  
Chief Financial Officer (CFO)

**Brij Bhushan Agarwal**  
Vice Chairman & Managing Director

## Annexure - B

**CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE  
REQUIREMENTS UNDER SECURITIES AND EXCHANGE BOARD OF INDIA  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015**

To,  
The Members of  
**Shyam Metals and Energy Limited**  
"Trinity Tower", 83, Topsia Road  
7th Floor, Kolkata – 700046

We have examined the relevant documents and records maintained by **Shyam Metals and Energy Limited** (hereinafter referred as 'the Company') having CIN: L40101WB2002PLC095491, for certifying the compliance of conditions of Corporate Governance for the year ended on 31st March, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, to the extent applicable to it for the year ended 31st March, 2023.

We further state that this certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**(Koshal Agarwal)**  
Partner

**KPA & Co. LLP**  
Company Secretaries  
FRN: P2019WB078600  
Peer Review No: 1363/2021  
ACS No : 37508  
CP No : 16670  
UDIN: A037508E000365055

Place: Kolkata  
Date: 24th May, 2023

## Annexure - C

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] as amended**

To,  
The Members  
**Shyam Metals and Energy Limited**  
"Trinity Tower" 83, Topsia Road,  
7th Floor, Kolkata – 700046, West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shyam Metals and Energy Limited** having CIN: L40101WB2002PLC095491 and having registered office at "Trinity Tower", 83, Topsia Road, 7th Floor, Kolkata – 700046, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mahabir Prasad Agarwal	00235780	06/04/2018
2.	Brij Bhushan Agarwal	01125056	11/12/2002
3.	Sanjay Kumar Agarwal	00232938	11/12/2002
4.	Deepak Agarwal	00560010	14/07/2014
5.	Dev Kumar Tiwari	02432511	10/04/2009
6.	Ashok Kumar Jaiswal	00545574	16/01/2018
7.	Yudhvir Singh Jain	06507365	16/01/2018
8.	Kishan Gopal Baldwa	01122052	15/05/2018
9.	Rajni Mishra	07706571	12/02/2021
10.	Nand Gopal Khaitan	00020588	14/02/2023

Ensuring the eligibility for appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**(Koshal Agarwal)**  
Partner

**KPA & Co. LLP**

Company Secretaries

FRN: P2019WB078600

Peer Review No: 1363/2021

ACS No: 37508

CP No: 16670

UDIN: A037508E000365011

Date: 24th May, 2023  
Place: Kolkata

# Independent Auditor's Report

## To The Members of Shyam Metals and Energy Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of SHYAM METALICS AND ENERGY LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, read with our comments in Key Audit Matter paragraph below, the aforesaid standalone 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 Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone 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 Financial Statements' section of our report.

We are independent of the Company 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 standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 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 standalone 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 standalone 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 standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
<b>Revenue from Sale of Goods [Refer to Note 29 to the standalone financial statements]</b> The Company 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 Company 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 standalone financial statements.	Our audit procedures included the following: <ul style="list-style-type: none"> <li>• Considered the adequacy of the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.               <ul style="list-style-type: none"> <li>• Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition.</li> </ul> </li> <li>• 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.</li> <li>• Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying documents.</li> <li>• 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.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>The Company's Exposure to Litigations Risk and related disclosure of Contingent Liabilities</b>  <b>[Refer to Note 40 (b) to the standalone financial statements]</b></p>	<ul style="list-style-type: none"> <li>Assessed the relevant disclosures made in the standalone financial statements.</li> </ul>
<p>As at March 31, 2023, the Company 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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Understood the process followed by the Company for assessment of litigations and determination of Contingent Liabilities relating to relevant laws and regulations.</li> <li>Inquired with the management for recent developments and the status of the material litigations which were reviewed and noted.</li> <li>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 standalone financial statements.</li> <li>Evaluated management's assessments and position by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/ judgements.</li> <li>Assessed the adequacy of the Company's disclosures in the standalone financial statements.</li> </ul> <p>Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/ other significant litigations in the Standalone Financial Statements is considered to be reasonable.</p>

### Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is 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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 Company 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 Company 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 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 Company'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 standalone 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 standalone 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.

### 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, 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash flows 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 as on March 31, 2023 taken on record by the Board of Directors, none of the directors 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 standalone financial statements of the company 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 Company 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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – [Refer Note 40 (b) to the standalone financial statements]
  - ii. The Company 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 54 to the standalone financial statements)

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – (Refer Note 56 to the standalone financial statements)
- iv. (A) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the Standalone Financial Statements, 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 Company 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (B) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the Standalone Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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, nothing has come to our notice that has caused us to believe that the management representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.
- v. As stated in Note 17 to the standalone financial

statements:

- (A) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (B) The interim dividend declared and paid by the Company 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 Company 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: 23301571BGSYBC2789

Place: Kolkata  
Date: 24th day 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)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All Property, Plant and Equipment (including right-of-use assets) have not been physically verified by the management during the year but there is a regular programme of verification of all the Property, Plant and Equipment over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under property, plant and equipment are held in the name of the Company as at the balance sheet date.

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 2 to the standalone financial statements are held in the name of the company except for the following:

Description of Properties	Gross Carrying Value (₹ in Crores)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter or director	Property held (Years in Range)	Reason for not being held in the name of the Company
Freehold Land	1.01	Shyam DRI and Power Limited	No	2003-2009	The Company is in process of getting perfection to the title due to change in the name of the company.

\* There are some lands in the possession of the company but the title deeds has not been transferred in the name of the Company. These payment are still shown as advance againsts land pending tranfer of the title.

(d) According to the information and explanation provided to us, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year ended March 31, 2023.

(e) According to the information and explanation provided to us, there are no proceedings initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) As per our examination and the information provided to us, the physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the

year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not in excess of 10% or more in aggregate for each class of inventory.

(b) As disclosed in Note 24 to the standalone financial statements, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and/or financial institutions against security of its current assets. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company other than those as set out below:

Particulars	Period	Amount as per Financials (₹ in Crores)	Amount as per statement filed with Bankers (₹ in Crores)	Difference (₹ in Crores)
Eligible Trade Receivables & Inventory	30.06.22	1277.03	1259.12	17.91
	30.09.22	1045.47	1045.47	-
	31.12.22	1335.31	1335.31	-
	31.03.23	1376.48	1376.48	-

\* Statements are being filed with bankers on the basis of provisional figures since the final figures are made available at a later date. The Company has not claimed Drawing Power (DP) on certain assets. DP is calculated as per norms of lenders.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not provided any security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The company has made investment in companies, granted secured and unsecured loans and provided guarantee to companies and other parties, in respect of which the requisite information is as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the company has provided loans during the year, and details of which are given below:

Particulars	Loans (₹ in Crores)	Guarantee (₹ in Crores)
<b>Aggregate amount granted/provided during the year:</b>		
Subsidiary	-	-
Associate	-	-
Joint Venture	-	-
Others	0.01	-
<b>Balance Outstanding as at Balance Sheet date:</b>		
Subsidiary	-	-
Associate	-	-
Joint Venture	-	-
Others	0.13	-

(b) According to the information and explanations given to us, in our opinion the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no overdue amount for more than ninety days remaining outstanding as at the balance sheet date.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no loan granted by the Company

which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has granted loans amounting to ₹0.13 crores.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits with the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to extent applicable. Therefore, the requirement to report on clause 3(v) of the Order is not applicable and hence not commented upon.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liabilities in respect of Service Tax, Duty of Excise, Sales tax & Value Added Tax, during the Year. Since effective 1st July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and based on audit procedures performed by us, there were no undisputed amounts payable in respect of applicable statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, details of dues which have not been deposited as on 31st March 2023 on account of dispute are given below:

Name of Statute	Nature of Dues	Amount paid (₹ in Crores)	Amount (Net of payments) (₹ in Crores)	Financial Year to which the matter pertains	Forum Where Matter is pending
The Customs Act, 1962	Customs Duty	0.13	1.73	2012-13	CESTAT
		0.02	0.21	2011-12	
		0	11.44	2012-13	Adjudication
The Finance Act, 1994	Service Tax	0	0.06	2013-14	Adjudication
		0	0.03	2015-16	CESTAT
The Central Excise Act, 1994	Central Excise	0	3.51	2014-15	Adjudication
		0	0.13	2015-16	
		0	0.24	2016-17	
		0	0.1	2009-10	
		0	0.44	2008-09	
		0	2.27	2007-08	
		0	0.12	2005-06	
		0	0.88	2006-07	
	GST	0	0.83	2017-18	Adjudication
GOODS AND SERVICES TAX ACT, 2017		0	0.04	2019-20	

\*0.00 represents figures less than ₹ 1 Lakh.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings on in the payment of interest thereon to any lender. Therefore, the requirement to report on clause 3(ix)(a) of the Order is not applicable and hence not commented upon.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and the procedures performed by us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, subsidiaries, associates or joint ventures.
- (x) (a) During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Therefore, the requirement to report on clause 3(x)(a) of the Order is not applicable and hence not commented upon.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Therefore, the requirement to report on clause 3(x)(b) of the Order is not applicable and hence not commented upon.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, considering the principles of materiality as outlined in the Standards on Auditing, and according to the information and explanation provided to us, we have neither come across any instance of material fraud by the company or on company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation provided to us, there is no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report. Therefore, the requirement to report on clause 3(xi)(c) of the Order is not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi Company as per provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) and 3(xii)(b) of the Order are not applicable and hence not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non- cash transactions with its directors or persons connected to its directors. and Therefore, the requirement to report on clause 3(xv) of the Order is not applicable and hence not commented upon.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) According to the information and explanations provided to us, the Company has not incurred cash losses in the current and in the immediately preceding financial year. Therefore, the requirement to report on clause 3(xvii) of the Order is not applicable and hence not commented upon.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on clause 3(xviii) of the Order is not applicable to the Company and hence not commented upon.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in Note 53 to the standalone financials statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations provided to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable and hence not commented upon.
- (b) According to the information and explanations provided to us, there are no unspent amount pursuant to ongoing project, that are required to be transferred to a special account in accordance of provision of sub section (6) of section 135 of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xx)(b) of the Order is not applicable and hence not commented upon.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**

Chartered Accountants

Firm Registration No. – 306033E/E300272

Vivek Agarwal

Partner

Membership No: 301571

UDIN: 23301571BGSYBC2789

Place: Kolkata

Date: 24th day 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 Metals and Energy Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls over financial reporting of **SHYAM METALICS AND ENERGY LIMITED** (the “Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 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 Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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 standalone 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 Company’s internal financial controls system over financial reporting.

### 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 standalone 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 standalone 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 standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial

reporting established by the 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.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**  
Chartered Accountants  
Firm Registration No. – 306033E/E300272

Vivek Agarwal  
Partner  
Membership No: 301571  
UDIN: 23301571BGSYBC2789

Place: Kolkata  
Date: 24th day of May, 2023

## Standalone Balance Sheet as at 31st March, 2023

(₹ in Crores)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, plant and equipment	2	1,333.77	936.96
b) Right-of-use assets	2A	20.83	21.88
c) Capital work-in-progress	3	352.16	436.85
d) Intangible assets	4	0.78	3.64
e) Investments in subsidiaries, associates and joint ventures	5	923.20	923.20
f) Financial assets			
i) Investments	5A	767.50	338.42
ii) Other financial assets	6	19.59	18.61
g) Other non-current assets	7	32.48	44.38
<b>Total Non Current Assets (A)</b>		<b>3,450.31</b>	<b>2,723.94</b>
<b>Current Assets</b>			
a) Inventories	8	1,147.81	1,006.24
b) Financial assets			
i) Investments	9	250.71	355.06
ii) Trade receivables	10	228.67	103.88
iii) Cash and cash equivalents	11	46.04	42.77
iv) Bank balances other than (iii) above	12	4.42	110.49
v) Loans	13	0.13	0.15
vi) Other financial assets	14	14.75	17.62
c) Current tax assets (net)	15	75.45	14.93
d) Other current assets	16	241.12	423.14
<b>Total Current Assets (B)</b>		<b>2,009.10</b>	<b>2,074.28</b>
<b>Total Assets (A + B)</b>		<b>5,459.41</b>	<b>4,798.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	17	255.08	255.08
b) Other equity	18	3,595.97	3,395.10
<b>Total Equity (A)</b>		<b>3,851.05</b>	<b>3,650.18</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	0.77	0.54
ii) Lease Liabilities	19A	2.36	3.19
iii) Other financial liabilities	20	15.25	11.56
b) Provisions	21	10.91	6.84
c) Deferred tax liabilities (net)	22	53.74	71.24
d) Other non-current liabilities	23	203.18	170.66
<b>Total Non Current Liabilities (B)</b>		<b>286.21</b>	<b>264.03</b>
<b>Current Liabilities</b>			
a) Financial liabilities			
i) Borrowings	24	388.98	178.06
ii) Lease liabilities	19A	0.67	0.67
iii) Trade payables	25		
Total outstanding due of micro enterprise and small enterprise		2.50	2.63
Total outstanding due to creditors other than micro enterprise and small enterprise		751.94	518.72
iv) Other financial liabilities	26	66.51	36.17
b) Other current liabilities	27	110.40	118.46
c) Provisions	28	1.15	29.30
<b>Total Current Liabilities (C)</b>		<b>1,322.15</b>	<b>884.01</b>
<b>Total Equity and Liabilities (A + B + C)</b>		<b>5,459.41</b>	<b>4,798.22</b>
Significant Accounting Policies	1(A)		

**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

**Vivek Agarwal**  
Partner  
Membership No: 301571

**Brij Bhushan Agarwal**  
Vice Chairman cum Managing Director  
DIN 01125056

**Sanjay Kumar Agarwal**  
Joint Managing Director  
DIN 00232938

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

## Standalone Statement of Profit and Loss for the period ended 31st March' 2023

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>INCOME</b>			
I Revenue from operations	29	6,243.21	4,658.41
II Other income	30	62.99	95.17
<b>III Total Income (I+II)</b>		<b>6,306.20</b>	<b>4,753.58</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	31	4,721.67	2,934.26
Purchases of stock-in-trade		171.29	2.10
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(123.96)	(104.07)
Employee benefits expense	33	188.46	127.83
Finance costs	34	37.79	8.96
Depreciation and amortisation expense	35	207.82	119.61
Other expenses	36	805.76	552.62
<b>Total Expenses (IV)</b>		<b>6,008.83</b>	<b>3,641.31</b>
V Profit before tax (III-IV)		297.37	1,112.27
VI Tax expense:	37		
(i) Current tax		21.00	197.21
Add: MAT Credit Utilized		-	100.79
(ii) Deferred tax		(22.66)	4.00
<b>VII Profit for the year (V-VI)</b>		<b>299.03</b>	<b>810.27</b>
<b>VIII Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(1.95)	(0.27)
Equity instruments at fair value through other comprehensive income		23.70	53.61
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.15)	(12.51)
<b>Total other comprehensive income, net of taxes</b>		<b>16.60</b>	<b>40.83</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>315.63</b>	<b>851.10</b>
<b>X Earnings per equity share (Face value of ₹ 10 each)</b>			
<b>XI Earnings per Share</b>	38		
<b>Basic (₹)</b>		<b>11.72</b>	<b>32.38</b>
<b>Diluted (₹)</b>		<b>11.72</b>	<b>32.38</b>
Significant Accounting Policies	1A		

### 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

**Vivek Agarwal**  
Partner  
Membership No: 301571

**Brij Bhushan Agarwal**  
Vice Chairman cum Managing Director  
DIN 01125056

**Sanjay Kumar Agarwal**  
Joint Managing Director  
DIN 00232938

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

## Standalone Cash flow Statement for the period ended 31st March' 2023

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A. Cash flow from operating activities:</b>		
Net Profit Before Tax	297.37	1,112.27
<b>Adjustments for:</b>		
Depreciation and amortization expenses	207.82	119.61
Provision for Gratuity	4.05	1.26
Dividend Received	-	(61.78)
Expected Credit Loss on Trade Receivables	0.68	0.16
Provisions written back	(13.09)	(11.57)
Unrealised Foreign Exchange Fluctuations	(1.02)	1.57
Gain in Fair Value of instruments carried at FVTPL	(32.08)	(16.08)
Interest Income on Financial assets	(23.03)	(16.36)
Interest & Finance charges	37.79	8.96
<b>Operating profit before working capital changes</b>	<b>478.49</b>	<b>1,138.04</b>
<b>Adjustments for :</b>		
Increase/(Decrease) in Trade and other payables	231.73	360.08
Increase/(Decrease) in Non current Financial Liabilities	3.69	2.69
Increase/(Decrease) in Current Financial Liabilities	3.01	5.09
Increase/(Decrease) in Non-Current Provisions	4.07	1.47
Increase/(Decrease) in Current Provisions	(32.20)	(0.95)
Increase/(Decrease) in Non current Liabilities	32.52	(31.97)
Increase/(Decrease) in Current Liabilities	(8.06)	(60.47)
Decrease / (Increase) in Trade Receivable	(111.99)	206.18
Decrease / (Increase) in Inventories	(141.57)	(475.28)
Decrease / (Increase) in Financial assets- Non current	(2.95)	(5.07)
Decrease / (Increase) in Other Non-current Assets	(2.40)	0.06
Decrease / (Increase) in Financial assets- current	7.41	(2.99)
Decrease / (Increase) in Other Current Assets	182.10	(212.40)
<b>Cash flow from operating activities before taxes</b>	<b>643.85</b>	<b>924.48</b>
Direct Taxes Paid (net)	(81.52)	(210.68)
<b>Net cash flow from operating activities (A)</b>	<b>562.33</b>	<b>713.80</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of Property Plant & Equipment (Net)	(478.34)	(461.77)
(Increase)/ Decrease in Investment (Net)	(268.95)	(558.37)
Fixed deposits with banks (placed) / realised	108.04	(52.13)
Dividend Received	-	61.78
Loans Refunded/ (Given)	0.02	9.13
Interest Received	18.49	12.25
<b>Net cash from investing activities (B)</b>	<b>(620.74)</b>	<b>(989.11)</b>

## Standalone Cash flow Statement for the period ended 31st March' 2023

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>C. Cash flow from financing activities:</b>		
Repayments/Proceeds from Non-current Borrowing (Net)	0.23	(0.23)
Repayments/Proceeds from Current Borrowing (Net)	210.92	(137.43)
Repayment of Lease Liabilities	(0.83)	0.05
Proceeds from issue of share capital	-	625.58
Dividend Paid	(114.79)	(183.66)
Interest paid	(33.85)	(8.58)
<b>Net cash from financing activities (C)</b>	<b>61.68</b>	<b>295.73</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>3.27</b>	<b>20.42</b>
Add: cash and cash equivalents at the beginning of the year	42.77	22.35
<b>Cash and cash equivalents at the end of the year</b>	<b>46.04</b>	<b>42.77</b>

Notes forming part of the financial statements Note

### Notes to the cash flow statement

- 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".
- Purchase of property, Plant & Equipment (Net) includes CWIP, Capital Advances and Creditors for Capital Goods.
- Cash and cash equivalent comprises of:

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Balance with banks - in current account	1.73	25.88
Balance with banks - in Cash Credit account	44.15	-
Fixed Deposits with maturity less than 3 months	-	16.78
Unpaid Dividend Account with Bank	-	0.04
Cash on hand	0.16	0.07
<b>Total</b>	<b>46.04</b>	<b>42.77</b>

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

**Vivek Agarwal**  
Partner  
Membership No: 301571

**Brij Bhushan Agarwal**  
Vice Chairman cum Managing Director  
DIN 01125056

**Sanjay Kumar Agarwal**  
Joint Managing Director  
DIN 00232938

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

## Standalone Statement of Changes in Equity for the period ended 31st March' 2023

### A- Equity Share Capital

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

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total Equity
	Capital Reserve	Retained Earnings	Securities Premium	Other Reserve	Equity instruments through other comprehensive income	Remeasurement of the net defined benefit plans	
<b>Balance at 1st April, 2022</b>	<b>72.18</b>	<b>2,468.51</b>	<b>782.26</b>	<b>1.10</b>	<b>71.06</b>	-	<b>3,395.10</b>
Profit for the year	-	299.03	-	-	-	-	299.03
Dividend Paid	-	(114.79)	-	-	-	-	(114.79)
Income tax effect	-	-	-	-	(5.52)	0.37	(5.15)
Other comprehensive income	-	-	-	-	23.70	(1.95)	21.75
Transfer to Retained Earnings	-	(1.58)	-	-	-	1.58	-
<b>Balance at 31st March, 2023</b>	<b>72.18</b>	<b>2,651.17</b>	<b>782.26</b>	<b>1.10</b>	<b>89.23</b>	-	<b>3,595.97</b>
Balance at 1st April, 2021	72.18	1,842.07	178.15	1.10	30.06	-	2,123.56
Profit for the year	-	810.27	-	-	-	-	810.27
Profit / (Loss) on sale of Investment	-	-	-	-	(0.28)	-	(0.28)
Dividend Paid	-	(183.66)	-	-	-	-	(183.66)
Income tax effect	-	-	-	-	(12.61)	0.10	(12.51)
Other comprehensive income	-	-	-	-	53.89	(0.27)	53.61
Securities Premium Received	-	-	604.11	-	-	-	604.11
Transfer to Retained Earnings	-	(0.17)	-	-	-	0.17	-
<b>Balance at 31st March, 2022</b>	<b>72.18</b>	<b>2,468.51</b>	<b>782.26</b>	<b>1.10</b>	<b>71.06</b>	-	<b>3,395.10</b>

#### Notes forming part of 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

**Vivek Agarwal**  
 Partner  
 Membership No: 301571

**Brij Bhushan Agarwal**  
 Vice Chairman cum Managing Director  
 DIN 01125056

**Sanjay Kumar Agarwal**  
 Joint Managing Director  
 DIN 00232938

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

## Significant Accounting Policies for the period ended 31st March 2023

### 1. Company Overview

Shyam Metallics 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 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 its 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 Company's board of directors on May 24, 2023.

#### 1(A) Significant Accounting Policies

The significant accounting policies applied by the Company 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 financial statements are prepared in accordance with 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 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 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 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 Company.

## Significant Accounting Policies for the period ended 31st March 2023

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 company 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 company 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 company 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 Company 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 Company 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 Company has identified twelve months as its operating cycle.



## Significant Accounting Policies for the period ended 31st March 2023

### f. Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company 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 Company 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 company 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

## Significant Accounting Policies for the period ended 31st March 2023

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 Company 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	Company 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 Company 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 Company 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 Company 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 Company 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### Classification and Subsequent Measurement: Financial Assets

The Company 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

## Significant Accounting Policies for the period ended 31st March 2023

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 Company 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 Company 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 Company 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 Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company 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 Company to track changes in credit risk. The Company 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 Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## Significant Accounting Policies for the period ended 31st March 2023

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.

## I. 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 Company'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 company 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 Company.

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

## Significant Accounting Policies for the period ended 31st March 2023

recognised.

### **o. Government grants**

The Company 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 Company 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 Company 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 Company 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 Company 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 Company.

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.

## Significant Accounting Policies for the period ended 31st March 2023

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 Company 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.

Company as lessor

Leases in which the Company 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.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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.

## Significant Accounting Policies for the period ended 31st March 2023

### 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 Company 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 Company transfers the control of goods to the customer as per the terms of contract. The Company 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 Company 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 company 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 Company 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 Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company'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

## Significant Accounting Policies for the period ended 31st March 2023

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 Company 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 Company 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 company 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 Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company'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 Company'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.



## Significant Accounting Policies for the period ended 31st March 2023

### Note 2 - Property, Plant and Equipment

(₹ in Crores)

Description	Gross block				Accumulated depreciation				Net block
	1st April 2022	Additions	Disposals/ Adjustment	31st March 2023	1st April 2022	Additions	Disposals/ Adjustment	31st March 2023	31st March 2023
Freehold Land	50.03	1.53	-	51.56	-	-	-	-	51.56
Buildings	331.42	103.93	-	435.35	122.19	26.23	-	148.42	286.93
Plant and Equipment	1,371.71	490.29	-	1,861.99	698.27	175.31	-	873.59	988.41
Furniture and Fixtures	1.31	0.02	-	1.33	0.66	0.16	-	0.82	0.50
Vehicles	4.39	3.50	0.18	7.70	1.96	1.04	0.16	2.84	4.86
Office Equipment	1.89	0.95	-	2.84	0.71	0.63	-	1.33	1.50
<b>Total</b>	<b>1,760.74</b>	<b>600.21</b>	<b>0.18</b>	<b>2,360.77</b>	<b>823.79</b>	<b>203.37</b>	<b>0.16</b>	<b>1,027.00</b>	<b>1,333.77</b>

(₹ in Crores)

Description	Gross block				Accumulated depreciation				Net block
	1st April 2021	Additions	Disposals/ Adjustment	31st March 2022	1st April 2021	Additions	Disposals/ Adjustment	31st March 2022	31st March 2022
Freehold Land	49.53	0.50	-	50.03	-	-	-	-	50.03
Buildings	288.61	42.81	-	331.42	103.76	18.43	-	122.19	209.23
Plant and Equipment	1,148.00	223.71	-	1,371.71	599.82	98.45	-	698.27	673.44
Furniture and Fixtures	1.20	0.11	-	1.31	0.46	0.20	-	0.66	0.65
Vehicles	3.65	1.02	0.28	4.39	1.38	0.84	0.26	1.96	2.43
Office Equipment	0.78	1.11	-	1.89	0.53	0.18	-	0.71	1.18
<b>Total</b>	<b>1,491.77</b>	<b>269.26</b>	<b>0.28</b>	<b>1,760.74</b>	<b>705.95</b>	<b>118.11</b>	<b>0.26</b>	<b>823.79</b>	<b>936.96</b>

(a) Refer note 40(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(b) Refer note 19 & 24 for information on property, plant and equipment pledged as security by the Company.

(c) Freehold land & Building are in the name of the Company except as follows :

#### Details as on 31st March 2023

Description of Properties	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter or director	Property held (Years In Range)	Reason for not being held in the name of the Company
Freehold Land	1.01	Shyam DRI and Power Limited	No	2003-2009	The Company is in process of getting perfection to the title due to change in the name of the company

#### Details as on 31st March 2022

## Significant Accounting Policies for the period ended 31st March 2023

### Note 2 - Property, Plant and Equipment (Contd.)

Details as on 31st March 2022

Description of Properties	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter or director	Property held (Years In Range)	Reason for not being held in the name of the Company
Freehold Land	1.01	Shyam DRI and Power Limited	No	2003-2009	The Company is in process of getting perfection to the title due to change in the name of the company

There are some lands in the possession of the company but the title deeds has not been transferred in the name of the company.

### Note 2A - Right of Use Assets

(₹ in Crores)

Description	Gross block				Accumulated depreciation				Net block
	1st April 2022	Additions	Disposals/ Adjustment	31st March 2023	1st April 2022	Additions	Disposals/ Adjustments	31st March 2023	31st March 2023
Building	4.78	-	-	4.78	2.23	0.88	-	3.11	1.67
Land	21.04	-	-	21.04	1.71	0.17	-	1.89	19.15
<b>Total</b>	<b>25.82</b>	<b>-</b>	<b>-</b>	<b>25.82</b>	<b>3.94</b>	<b>1.05</b>	<b>-</b>	<b>5.00</b>	<b>20.83</b>

(₹ in Crores)

Description	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
Building	4.04	0.74	-	4.78	1.37	0.86	-	2.23	2.55
Land	21.04	-	-	21.04	1.46	0.25	-	1.71	19.33
<b>Total</b>	<b>25.08</b>	<b>0.74</b>	<b>-</b>	<b>25.82</b>	<b>2.83</b>	<b>1.11</b>	<b>-</b>	<b>3.94</b>	<b>21.88</b>

### Note 3 - Capital Work-in-Progress

(₹ in Crores)

Description	1st April 2022	Additions	Capitalizations / Adjustments	31st March 2023
Capital work in progress	436.85	454.23	538.92	352.16
<b>Total</b>	<b>436.85</b>	<b>454.23</b>	<b>538.92</b>	<b>352.16</b>

(₹ in Crores)

Description	1st April 2021	Additions	Capitalizations / Adjustments	31st March 2022
Capital work in progress	230.22	468.77	262.14	436.85
<b>Total</b>	<b>230.22</b>	<b>468.77</b>	<b>262.14</b>	<b>436.85</b>

Note - There are no projects which are overdue as on 31.03.2023 and 31.03.2022 respectively

### 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	287.76	52.68	3.11	8.61	352.16
Total Capital work-in-progress	287.76	52.68	3.11	8.61	352.16

## Significant Accounting Policies for the period ended 31st March 2023

### Note 3 - Capital Work-in-Progress (Contd.)

#### Capital work-in-progress ageing schedule for the year ended March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	282.35	112.82	31.31	10.37	436.85
Total Capital work-in-progress	282.35	112.82	31.31	10.37	436.85

Note - There are no projects which are overdue as on 31.03.2023 and 31.03.2022 respectively.

### Note 4 - Intangible Assets

(₹ in Crores)

Description	Gross block				Accumulated depreciation				Net block	
	1st April 2022	Additions	Disposals/ Adjustment	31st March 2023	1st April 2022	Additions	Disposals/ Adjustment	31st March 2023	31st March 2023	31st March 2023
Software	5.44	0.55	-	5.98	1.80	3.40	-	5.20	0.78	0.78
<b>Total</b>	<b>5.44</b>	<b>0.55</b>	<b>-</b>	<b>5.98</b>	<b>1.80</b>	<b>3.40</b>	<b>-</b>	<b>5.20</b>	<b>0.78</b>	<b>0.78</b>

(₹ in Crores)

Description	Gross block				Accumulated depreciation				Net block	
	1st April 2021	Additions	Disposals/ Adjustment	31st March 2022	1st April 2021	Additions	Disposals/ Adjustment	31st March 2022	31st March 2022	31st March 2022
Software	1.26	4.18	-	5.44	1.10	0.70	-	1.80	3.64	3.64
<b>Total</b>	<b>1.26</b>	<b>4.18</b>	<b>-</b>	<b>5.44</b>	<b>1.10</b>	<b>0.70</b>	<b>-</b>	<b>1.80</b>	<b>3.64</b>	<b>3.64</b>

### Note 5 - Investments in subsidiaries, associates and joint ventures

(₹ in Crores)

Particulars	Face Value	Number of shares		Value of Shares	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>Investments measured at cost/deemed cost</b>					
<b>Unquoted</b>					
<b>Investment in Subsidiaries</b>					
Shyam Sel & Power Limited	10	4,41,30,036	4,41,30,036	923.10	923.10
				<b>923.10</b>	<b>923.10</b>
<b>Investments in Associates</b>					
Meghana Vyapaar Private Limited	10	1,00,000	1,00,000	0.10	0.10
				<b>0.10</b>	<b>0.10</b>
<b>Investment in Joint Venture</b>					
MJSJ Coal Limited	10	85,59,000	85,59,000	-	-
<b>Total</b>				<b>923.20</b>	<b>923.20</b>

Details of Subsidiaries, Associates and Joint Ventures in accordance with Ind AS 112 "Disclosure of interests in other entities."

Name of the Company	Country of Incorporation	Proportion of ownership	
		As at 31st March 2023	As at 31st March 2022
<b>Subsidiary</b>			
Shyam Sel & Power Limited	India	100.00%	100.00%
<b>Associates</b>			
Meghana Vyapaar Private Limited	India	33.51%	33.51%
<b>Joint venture</b>			
MJSJ Coal Limited	India	9.00%	9.00%

## Significant Accounting Policies for the period ended 31st March 2023

### Note 5 - Investments in subsidiaries, associates and joint ventures (Contd.)

#### Note 5A - Investments (Non-Current)

(₹ in Crores)

Particulars	Face Value	Number of shares		Value of Shares	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>Investments measured at fair value through other comprehensive income</b>					
<b>Unquoted</b>					
<b>Investment in equity instruments</b>					
Dorite Tracon Private Limited	10	7,30,000	7,30,000	41.99	29.76
Narantak Dealcomm Limited	10	16,41,088	16,41,088	60.53	55.19
Subhlabh Commercials Private Limited	10	1,01,350	1,01,350	2.69	2.55
Shubham Capital Private Limited	10	3,57,000	3,57,000	16.21	10.22
Shyam Ores(Jharkhand) Private Limited	10	-	200	-	0.00
				<b>121.42</b>	<b>97.72</b>
<b>Investment in Government Securities at amortised cost</b>					
National Saving Certificate (VII Issue)		-	-	0.07	0.07
<b>Quoted</b>					
<b>Investment in debentures/bonds/AIF</b>					
<b>Investments measured at fair value through other Amortised Cost</b>					
8.23% IRFC Tax Free Bond		-	1,00,000	-	10.09
State Bank of India Series I 7.72% Perpetual Bond		36	36	36.02	36.04
HDB Financial Services Limited SR A/0(ZC) 181 OPT 1 NCD	1,000	450	-	44.98	-
Vivriti Capital Private Limited (BR Free NCD)	1,00,00,000	250	-	24.83	-
IIFL Wealth Prime Limited (BR NCD)	10,00,000	9,000	-	90.00	-
TMF Holdings Limited (SR A NCD)	10,00,000	1500	-	155.23	-
State Bank of India (Sr I 7.75% BD Perpetual)	1,00,000	18	-	18.00	-
Piramal Enterprises Limited (BR NCD)	10,00,000	400	-	43.47	-
IIFL Wealth Prime Limited	1,00,00,000	-	500	-	49.41
<b>Investments measured at fair value through Profit &amp; Loss</b>	10,00,000				
Shriram Transport Finance Company Limited Series III	10,00,000	-	500	-	54.75
Vidya Trust 2021 Series IV PTC		-	34,632	-	32.68
IIFL Commercial Yield Fund - Class E (AIF Cat II)		7,52,62,247	-	80.13	-
IIFL Large Value Fund Series 14		3,49,98,250	-	35.00	-
SK Finance Limited (BR NCD)	10,00,000	90	-	9.40	-
Piramal Capital and Housing Finance Limited	10,000	5,89,500	5,89,500	46.44	48.51
360 One WAM Limited (BR NCD)	10	506	-	53.05	-
<b>Investment in Mutual Funds</b>	10				
<b>Investments measured at fair value through Profit &amp; Loss</b>	10,00,000				
SBI Fixed Maturity Plan Series 52 (1848 days)	925	89,99,550	89,99,550	9.47	9.15
<b>Total</b>	1,00,00,000			<b>767.50</b>	<b>338.42</b>
<b>Aggregate amount of unquoted investments</b>				<b>121.49</b>	<b>97.79</b>
<b>Aggregate book value of quoted investments</b>				<b>646.01</b>	<b>240.63</b>
<b>Aggregate market value of quoted investments</b>				<b>646.01</b>	<b>240.63</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 6 - Other Financial Assets (Non-Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Security deposits (Long Term)	17.05	14.10
Bank deposits with maturity more than 12 months	2.54	4.51
<b>Total</b>	<b>19.59</b>	<b>18.61</b>

(a) Fixed Deposits amounting to ₹ 2.54 Crores (31st March 2022 : 0.23 Crores) are held as margin money

### Note 7 - Other Non-Current Assets

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Capital advances	29.08	43.38
Deposits against demands under dispute	3.40	1.00
<b>Total</b>	<b>32.48</b>	<b>44.38</b>

### Note 8 - Inventories

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Valued at lower of Cost and Net Realisable Value</b>		
Raw Materials	717.30	733.99
Finished Goods	343.54	205.42
Stores and Spares	77.53	43.22
By-Products	9.44	23.61
<b>Total</b>	<b>1,147.81</b>	<b>1,006.24</b>

Inventories are hypothecated to bank against working capital facility.

### Note 9 - Investments (Current)

(₹ in crores, except number of units)

Particulars	Face Value	Number of units		Value	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>Investment in debentures/bonds/AIF</b>					
<b>Investments measured at fair value through other</b>					
<b>Amortised Cost</b>					
<b>Investment in Bonds/ Debentures</b>					
8.23% IRFC Tax Free Bond	1,000	1,00,000	-	9.73	-
Vivriti Capital Private Limited (BR Free NCD 14JL23)	10,00,000	150	-	16.25	-
<b>Investments measured at fair value through Profit &amp; Loss</b>					
<b>Investment in Mutual Funds/AIF/Debentures/ Bonds</b>					
ICICI Prudential Mutual Fund - Arbitrage Fund		-	1,27,75,849	-	37.43
Bandhan Crisil IBX Gilt June 2027 Index Fund - DP - Growth		9,09,57,797	-	99.33	-
Muthoot Fincorp Limited (SR X BR NCD 15S P23)	10,00,000	100		11.12	
Kotak Nifty SDL Apr 2027 Index Fund - Direct growth		7,03,72,410	-	72.96	-



## Significant Accounting Policies for the period ended 31st March 2023

### Note 10 - Trade Receivables (Contd.)

#### Trade Receivable ageing schedule for the year ended as on March 31, 2022

##### Ageing of Trade Receivables

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable - Considered Good	27.39	67.23	6.93	2.14	0.09	0.10	103.88
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	0.23	0.07	0.10	0.40
Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	1.25	1.25
<b>Total (A)</b>	<b>27.39</b>	<b>67.23</b>	<b>6.93</b>	<b>2.37</b>	<b>0.16</b>	<b>1.45</b>	<b>105.53</b>
Less: Allowance for expected credit loss							1.65
Less: Allowance for credit impairment							-
<b>Total (B)</b>							<b>1.65</b>
<b>Total (A-B)</b>							<b>103.88</b>

### Noted 11 - Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Balance with banks:</b>		
Current account	1.73	25.88
Cash credit account	44.15	-
Cash on hand	0.16	0.07
Fixed Deposits with maturity less than 3 months	-	16.78
Unpaid Dividend account with bank	-	0.04
<b>Total</b>	<b>46.04</b>	<b>42.77</b>

Current Account Balance for the year ended 31.03.2023 includes ₹ 0.29 Crores held in Escrow Account to meet IPO Expenses (31.03.2022 : 1.91 Crores)

### Note 12 - Other Balances with Banks

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Earmarked balances with banks</b>		
Unpaid Dividend	0.54	-
Fixed Deposits held as margin with maturity less than 3 months	0.02	-
Fixed Deposits with maturity for more than 3 months but less than 12 months	3.86	110.49
<b>Total</b>	<b>4.42</b>	<b>110.49</b>

(a) Fixed Deposits amounting to ₹3.73 Crores (31st March 2022 : ₹6.25 Crores) are held as margin money

## Significant Accounting Policies for the period ended 31st March 2023

### Note 13 - Loans (Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(Unsecured, considered good)</b>		
Loan to related parties	0.13	0.12
Loans receivable considered good (Unsecured)	-	0.03
<b>Total</b>	<b>0.13</b>	<b>0.15</b>

### Note 14 - Other Financial Assets (Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Security deposits	0.89	3.86
Interest accrued and due on fixed deposits	0.74	3.64
Interest accrued on bond	10.55	3.09
Interest accrued on deposits	0.52	0.54
MTM receivable	0.55	0.32
Incentive receivable	1.50	6.17
<b>Total</b>	<b>14.75</b>	<b>17.62</b>

### Note 15 - Current Tax Assets (Net)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance tax (net of provisions)	75.45	14.93
<b>Total</b>	<b>75.45</b>	<b>14.93</b>

### Note 16 - Other Current Assets

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Advances other than capital advances:		
Advances against goods and expenses	233.46	387.89
Advances for IPO	-	0.07
Prepaid Expenses	1.17	-
Advances to employees	4.60	4.30
Balances with statutory authorities	1.89	30.88
<b>Total</b>	<b>241.12</b>	<b>423.14</b>

Advance to employees includes ₹0.90 Crores advance made to directors and their relatives (Previous year: ₹0.90 Crores)

### Note 17 - Equity Share Capital

#### a) Authorised, Issued, Subscribed and Paid up Share Capital

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised Capital</b>		
400,000,000 (March 31, 2022 - 290,000,000) Equity Shares of ₹10 each	400.00	290.00
<b>Total</b>	<b>400.00</b>	<b>290.00</b>
<b>Issued, Subscribed &amp; Fully Paid-up Capital</b>		
255,080,688 (March 31, 2022 - 255,080,688) Equity Shares of ₹10 each	255.08	255.08
<b>Total</b>	<b>255.08</b>	<b>255.08</b>



## Significant Accounting Policies for the period ended 31st March 2023

### Note 17 - Equity Share Capital (Contd.)

#### b) Reconciliation of equity shares outstanding at the end of the reporting period

Particulars	As at 31st March 2023		As at 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
<b>Equity shares at the end of the year</b>	<b>25,50,80,688</b>	<b>255.08</b>	<b>25,50,80,688</b>	<b>255.08</b>

\* During the year ended March 31, 2022 the company has issued ₹2,14,70,588 fresh equity shares through Initial Public Offer of Face Value ₹10 each aggregating to ₹21.47 Crores.

#### c) Initial Public Offer :

The Company had made an Initial Public Offer (IPO), during the year ended March 31, 2022 for ₹2,97,05,880 equity shares of ₹10 each, comprising of a fresh issue of ₹2,14,70,588 equity shares by the Company and ₹82,35,292 equity shares offered for sale by selling shareholders. The Equity shares were issued at a price of ₹306 per share (including a Share Premium of ₹296). Of the total equity shares, ₹3,00,000 equity shares were reserved for eligible employees at a discount of ₹15 per share. Total Share Premium received from IPO (net of employee discount) is ₹635.32 crores reduced by the Company's share of IPO related expenses of ₹31.22 Crores.

**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
Repayment of borrowings	470.00
Expenses towards general corporate purposes	149.96
	<b>619.96</b>

#### d) 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.

#### e) Aggregate number of bonus shares allotted as fully paid up during the period of 5 years immediately preceding the reporting date

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: Fully paid up bonus shares issued	-	-	-	-	18,68,88,080
Particulars	-	-	-	-	-

#### f) Aggregate number of New shares allotted as fully paid up during the period of 5 years immediately preceding the reporting date

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 Offer	-	2,14,70,588	-	-	-
Closing	<b>25,50,80,688</b>	<b>25,50,80,688</b>	<b>23,36,10,100</b>	<b>23,36,10,100</b>	<b>23,36,10,100</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 17 - Equity Share Capital (Contd.)

#### g) 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
<b>Promoter Name</b>					
Subham Buildwell Private Limited	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 Housefin & Trading Private Limited	2,14,02,157	8.39%	2,14,02,157	8.39%	0.00%
Dorite Tracon Private Limited	1,42,16,273	5.57%	1,42,16,273	5.57%	0.00%
Top Light Mercantiles Private Limited	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%
<b>Promoter Group Name</b>					
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 Company's Board of Directors. Income tax consequences 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 Company 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

(₹ in Crores)

Particulars	Year Ended	
	31st March 2023	31st March 2022
Interim dividend for fiscal 2023 (₹1.80 per share)	45.91	-
Final dividend for fiscal 2022 (₹2.70 per share)	68.87	-
Final dividend for fiscal 2021 (₹2.70 per share)	-	68.87
Interim dividend for fiscal 2022 (₹4.50 per share)	-	114.79

Out of the total dividend distributed in FY 2021-22 and FY 2022-23 an amount of ₹0.54 Crores is unpaid and is lying in our bank accounts earmarked for dividend payment

#### h) Details of shareholders holding more than 5% shares in the Company

Equity shares of ₹10 each fully paid of	As at 31st March 2023		As at 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 Housefin & 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%

## Significant Accounting Policies for the period ended 31st March 2023

### Note 18 - Other Equity

(₹ in Crores)

Particulars	Reserves and Surplus				Equity instruments through other comprehensive income	Remeasurements of the net defined benefit plans	Total Other Equity
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves			
Balance at 1st April, 2022	782.26	2,468.51	72.18	1.10	71.06	-	3,395.10
Dividend Paid	-	(114.79)	-	-	-	-	(114.79)
Income tax effect	-	-	-	-	(5.52)	0.37	(5.15)
Other comprehensive income	-	-	-	-	23.70	(1.95)	21.75
Transfer to Retained Earnings	-	(1.58)	-	-	-	1.58	-
Profit for the year	-	299.03	-	-	-	-	299.03
<b>Balance at 31st March, 2023</b>	<b>782.26</b>	<b>2,651.17</b>	<b>72.18</b>	<b>1.10</b>	<b>89.23</b>	<b>-</b>	<b>3,595.98</b>
Balance at 1st April, 2021	178.15	1,842.07	72.18	1.10	30.06	-	2,123.56
Profit/(Loss) on sale of Investment	-	-	-	-	(0.28)	-	(0.28)
Dividend Paid	-	(183.66)	-	-	-	-	(183.66)
Income tax effect	-	-	-	-	(12.61)	0.10	(12.51)
Other comprehensive income	-	-	-	-	53.89	(0.27)	53.61
Securities Premium Received	604.11	-	-	-	-	-	604.11
Transfer to Retained Earnings	-	(0.17)	-	-	-	0.17	-
Profit for the year	-	810.27	-	-	-	-	810.27
<b>Balance at 31st March, 2022</b>	<b>782.26</b>	<b>2,468.51</b>	<b>72.18</b>	<b>1.10</b>	<b>71.06</b>	<b>-</b>	<b>3,395.10</b>

Note: Addition to Securities Premium during the year ended 31.03.2022 represents amount received on account of IPO (net of employee discount) ₹635.33 Crores reduced by the Company's share of IPO related Expenses ₹31.22 Crores (31.03.2021 : NIL)

### Note 19 - Borrowings (Non-Current)

(₹ in Crores)

Particulars	As at	As at
	31st March 2023	31st March 2022
<b>Secured</b>		
<b>Long term maturities of finance lease obligations:</b>		
Commercial Vehicle Loan	1.09	0.89
	<b>1.09</b>	<b>0.89</b>
Less: Current maturities of finance lease obligations (Refer Note 24)	(0.32)	(0.35)
<b>Total</b>	<b>0.77</b>	<b>0.54</b>

#### Security Disclosure for Outstanding long term borrowings :

Hire Purchase Loan is repayable in equated monthly installments and secured by assets purchased there against.

### Note 19A - Lease Liabilities

(₹ in Crores)

Particulars	As at	As at
	31st March 2023	31st March 2022
Non Current Lease Liability	2.36	3.19
Current Lease Liability	0.67	0.67
<b>Total</b>	<b>3.03</b>	<b>3.86</b>

### Note 20 - Other Financial Liabilities (Non-Current)

(₹ in Crores)

Particulars	As at	As at
	31st March 2023	31st March 2022
Security deposits received	-	0.51
Retention money	15.25	11.05
<b>Total</b>	<b>15.25</b>	<b>11.56</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 21 - Provisions (Non-Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits - Gratuity (Refer Note 41)	9.16	5.55
Provision for employee benefits - Leave	1.75	1.29
<b>Total</b>	<b>10.91</b>	<b>6.84</b>

### Note 22 - Deferred Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Deferred tax liability arising on account of :</b>		
Difference in value of assets as per books and as per tax	70.55	66.94
Fair valuation of mutual funds and investments	30.75	23.79
<b>Deferred tax assets arising on account of :</b>		
Lease Liabilities	1.06	1.35
Provision on Receivables	(0.82)	(0.58)
Provision for Employee Benefit	5.53	3.54
Amortisation of upfront fees (net)*	-	-
<b>Sub-Total</b>	<b>95.53</b>	<b>86.42</b>
Less: MAT credit entitlement	(41.79)	(15.18)
<b>Total</b>	<b>53.74</b>	<b>71.24</b>

\* 0.00 represents figures less than 1 lakhs.

### Note 23 - Other Non-Current Liabilities

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Liability for water charges & Electricity Duty	203.18	170.66
<b>Total</b>	<b>203.18</b>	<b>170.66</b>

### Note 24 - Borrowings (Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Current maturities of long term debts (Refer note 19)	0.32	0.35
<b>Secured</b>		
<b>Loans Repayable on Demand</b>		
<b>From Banks:</b>		
Working capital - Demand Loan	388.00	115.11
Working capital - Cash Credit	0.66	22.60
<b>Unsecured</b>		
From Banks	-	40.00
<b>Total</b>	<b>388.98</b>	<b>178.06</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 24 - Borrowings (Current) (Contd.)

#### 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. to 7.40% p.a.

#### Security disclosure for outstanding current borrowings:

Borrowing from banks are secured, in respect of respective facilities, by way of hypothecation of entire current assets (excluding investments) of the Company and further secured by second charge on fixed assets of the Company.

#### Current Reporting Period

Particulars	Period	Amount as per Financials	Amount as per statement filed with bankers	Difference	Remarks
Eligible Trade Receivables & Inventory	30.06.2022	1,277.03	1,259.12	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 Company has not claimed Drawing Power(DP) on certain current assets. DP is calculated as per norms of lenders.
	30.09.2022	1,045.47	1,045.47	-	
	31.12.2022	1,335.31	1,335.31	-	
	31.03.2023	1,376.48	1,376.48	-	

### Note 25 - Trade Payables

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Due to micro enterprise and small enterprise	2.50	2.63
Due to others	751.94	518.72
<b>Total</b>	<b>754.44</b>	<b>521.35</b>

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Principal amount outstanding as at end of year	2.50	2.63
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	-	-

## Significant Accounting Policies for the period ended 31st March 2023

### Note 25 - Trade Payables (Contd.)

#### 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				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	2.50	-	-	-	2.50
Others	607.34	122.91	11.13	1.07	9.47	751.91
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total Trade Payables</b>	<b>607.34</b>	<b>125.42</b>	<b>11.13</b>	<b>1.07</b>	<b>9.47</b>	<b>754.41</b>

#### 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				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	2.63	-	-	-	2.63
Others	374.54	132.74	1.14	-	10.30	518.72
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total Trade Payables</b>	<b>374.54</b>	<b>135.36</b>	<b>1.14</b>	<b>-</b>	<b>10.30</b>	<b>521.35</b>

### Note 26 - Other Financial Liabilities (Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Interest accrued but not due on borrowings	4.46	0.52
Unpaid Dividend	0.54	0.04
Creditors for capital goods	45.46	22.07
Employee related payables	16.05	13.54
<b>Total</b>	<b>66.51</b>	<b>36.17</b>

### Note 27 - Other Current Liabilities

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues	2.50	7.68
Advance from customers	40.37	27.44
Other payables	67.53	83.34
<b>Total</b>	<b>110.40</b>	<b>118.46</b>

### Note 28 - Provisions (Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for Employee Benefits - Gratuity (Refer Note 41)	0.99	0.55
Provision for Employee Benefits - Leave	0.16	0.17
Provision for Renewable Energy Cess	-	28.58
<b>Total</b>	<b>1.15</b>	<b>29.30</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 29 - Revenue from Operations

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Operating revenue</b>		
Sale of Manufactured Products	5,959.08	4,488.76
Sale of Services	78.63	149.84
Sale of Traded Goods	189.62	3.05
Sale of Power	3.34	3.49
Miscellaneous Sales	8.73	0.99
	<b>6,239.40</b>	<b>4,646.13</b>
<b>Other Operating Revenues</b>		
Export Incentive received	3.82	11.53
Other Incentive & Subsidy Received	(0.01)	0.75
<b>Total</b>	<b>6,243.21</b>	<b>4,658.41</b>

The disaggregation of the company's revenue from contracts with customers is as under:-

#### (i) Geographic market

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
India	6,063.81	4,310.87
Outside India	175.59	335.26
<b>Total</b>	<b>6,239.40</b>	<b>4,646.13</b>

#### (ii) The following table provides information about receivables, contract asset and contract liabilities from contracts with customers:-

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Receivables which are included in Trade and other receivables	228.67	103.88
Contract assets	79.60	27.39
Contract liabilities	40.37	27.44

#### (iii) Performance 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 performance obligation of the company is satisfied upon delivery of the goods to the customers.

### Note 30 - Other Income

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest received on financial assets carried at amortised cost:		
Deposits	6.17	7.22
Loans	0.01	5.79
Interest from Bonds & Debentures	16.85	3.35
Profit on Sale on Investments	-	8.28
Gain from fair valuation of investments carried at fair value through Profit and Loss:		
- Mutual Funds, Non Convertible Debentures, AIF and Bonds	26.99	8.88
Gain from fair valuation of investments carried at fair value through Amortised cost:		
- Bonds and Debentures	5.07	(1.08)
Dividend received on Shares	-	61.78
Profit on sales of Property, Plant and Equipment	0.04	0.03
Insurance claim received	0.01	-
Others	7.85	0.92
<b>Total</b>	<b>62.99</b>	<b>95.17</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 31 - Cost of Materials Consumed

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening stock	733.99	365.76
<b>Add:</b> Purchases	4,704.98	3,474.63
	<b>5,438.97</b>	<b>3,840.39</b>
<b>Less:</b> Sales	-	172.14
<b>Less:</b> Closing Stock	717.30	733.99
<b>Total</b>	<b>4,721.67</b>	<b>2,934.26</b>

### Note 32 - Changes in Inventories

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Opening Stock</b>		
Finished Goods	205.42	94.76
Work-in-Progress	0.00	2.53
Stock in Trade	-	2.14
By-Products	23.61	25.53
	<b>229.03</b>	<b>124.96</b>
<b>Closing Stock</b>		
Finished Goods	343.54	205.42
Work-in-Progress	0.00	0.00
Stock in Trade	0.00	-
By-Products	9.44	23.61
	<b>352.99</b>	<b>229.03</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(123.96)</b>	<b>(104.07)</b>

### Note 33 - Employee Benefits Expense

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries and wages	174.80	121.68
Contribution to provident and other funds	8.93	5.57
Staff welfare expenses	4.73	0.58
<b>Total</b>	<b>188.46</b>	<b>127.83</b>

- (a) During the period the Company recognised an amount of ₹4.34 Crores (2021-22: ₹3.86 Crores ) as remuneration to Key Managerial Personnel. The details of such remuneration is as below:

#### Payment to Key Managerial Personnel

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Short-term employee benefits	4.34	3.86
<b>Total</b>	<b>4.34</b>	<b>3.86</b>

- (b) For descriptive notes on disclosure of defined benefit obligation refer note 41.



## Significant Accounting Policies for the period ended 31st March 2023

### Note 34 - Finance Costs

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on borrowings	21.49	7.25
Other borrowing costs	16.30	1.71
<b>Total</b>	<b>37.79</b>	<b>8.96</b>

### Note 35 - Depreciation and Amortisation Expense

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation on property, plant and equipment (owned assets)	203.37	117.80
Depreciation on property, plant and equipment (leased assets)	1.05	1.11
Amortisation of intangible assets	3.40	0.70
<b>Total</b>	<b>207.82</b>	<b>119.61</b>

### Note 36 - Other Expenses

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Rent & Hire charges	35.87	25.82
Rates and taxes	50.22	41.39
Power, fuel and electricity expenses	236.77	123.34
Consumption of stores and spares parts	243.74	223.57
<b>Repairs and maintenance charges:</b>		
Building	14.26	4.24
Machinery	20.27	7.72
Other repair charges	9.60	6.25
Insurance	7.10	1.44
Commission and brokerage	12.32	9.67
Advertisement and publicity expenses	23.81	4.04
Legal and professional fees	12.04	7.47
Charity and donations	0.05	-
Labour charges	53.29	33.75
Freight and forwarding expenses	26.39	45.65
Auditors' fees	0.23	0.28
Allowances for credit losses	0.68	0.16
Corporate Social Responsibility	3.15	17.98
Sundry Balances written off	(13.09)	(11.57)
Foreign exchange fluctuation gain (net of loss)	41.11	(5.62)
Miscellaneous expenses	27.95	17.04
<b>Total</b>	<b>805.76</b>	<b>552.62</b>

### Note 37 - Income Tax Expense

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>i) Current tax</b>		
Current tax	21.00	197.21
<b>Total</b>	<b>21.00</b>	<b>197.21</b>
<b>ii) Deferred tax</b>		
Deferred tax	3.95	(4.10)
Less: MAT Credit Entitlement	26.61	(108.89)
<b>Total</b>	<b>(22.66)</b>	<b>104.79</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 38 - 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	For the year ended 31st March 2023	For the year ended 31st March 2022
Net Profit / (Loss) attributable to equity shareholders		
Profit for the year	299.03	810.27
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 earnings per share (₹)	11.72	32.38
Diluted earnings per share (₹)	11.72	32.38

### Note 39 - 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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 40 - Commitments & Contingent Liabilities

#### (a) Capital commitments

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	250.62	228.51

#### (b) Contingent Liabilities

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Claims against the company not acknowledged as debt:</b>		
Excise Duty	7.70	8.77
Service Tax	0.09	0.47
Goods and Service Tax	0.87	-
Customs Duty	13.39	13.39
<b>Other money for which the company is contingently liable:</b>		
Unredeemed bank guarantees on behalf of the joint venture company	-	0.65
Other unredeemed bank guarantees	50.66	120.32
Bills discounted with banks	5.44	9.92
<b>Total</b>	<b>78.15</b>	<b>153.52</b>

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 41 - Employee Benefit Obligations

#### The amount recognised as an expense for the Defined Contribution Plans as under :

(₹ in Crores)

Particulars	Current	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Provident Fund	5.05	3.00
<b>Total</b>	<b>5.05</b>	<b>3.00</b>

#### 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 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	For the year ended 31st March 2023	For the year ended 31st March 2022
Present value of obligation as at the beginning of the year	6.10	4.84
Interest cost	0.43	0.33
Current service cost	2.21	1.16
Benefits paid	(0.57)	(0.47)
Actuarial loss/(gain) on obligations	1.98	0.24
<b>Present value obligation as at the end of the year</b>	<b>10.15</b>	<b>6.10</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 41 - Employee Benefit Obligations (Contd.)

#### Breakup of actuarial gain/loss:

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Actuarial (gain)/loss arising from change in financial assumption	0.09	0.07
Actuarial (gain)/loss arising from experience adjustment	1.90	0.17

#### Reconciliation of present value of defined benefit obligation and the fair value of plan assets

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Present value obligation as at the end of the year	10.15	6.10
<b>Net Liability recognized in balance sheet</b>	<b>10.15</b>	<b>6.10</b>

#### Amount recognized in the statement of profit and loss

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Current service cost	2.21	1.16
Interest cost	0.43	0.33
<b>Amount recognized in the statement of profit and loss</b>	<b>2.64</b>	<b>1.49</b>

#### Amount recognized in the statement of Other Comprehensive Income

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Actuarial gain/(loss) for the year on planned benefit obligations	1.98	0.24
<b>Actuarial gain/(loss) at the end of the year</b>	<b>1.98</b>	<b>0.24</b>

#### Actuarial assumptions

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 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	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	10.15	6.10
a) Impact due to increase of 1.00 %	9.33	5.58
b) Impact due to decrease of 1.00 %	11.16	6.70
<b>Impact of Change in Withdrawal Rate</b>		
Present value of obligation at the end of the year	10.15	6.10
a) Impact due to increase of 1.00 %	10.25	6.14
b) Impact due to decrease of 1.00 %	10.08	6.05

## Significant Accounting Policies for the period ended 31st March 2023

### Note 41 - Employee Benefit Obligations (Contd.)

#### Sensitivity analysis for gratuity liability

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	10.15	6.10
a) Impact due to increase of 1.00 %	11.18	6.71
b) Impact due to decrease of 1.00 %	9.29	5.56

#### Leave

#### Changes in defined benefit obligation

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Present value of obligation as at the beginning of the year	1.46	0.96
Interest cost	0.10	0.07
Current service cost	0.59	0.40
Past Service Cost	-	-
Benefits paid	(0.21)	-
Actuarial loss/(gain) on obligations	(0.03)	0.03
<b>Present value obligation as at the end of the year</b>	<b>1.91</b>	<b>1.46</b>

#### Reconciliation of present value of defined benefit obligation and the fair value of plan assets

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Present value obligation as at the end of the year	1.91	1.46
<b>Net asset recognized in balance sheet</b>	<b>(1.91)</b>	<b>(1.46)</b>

#### Amount recognized in the statement of profit and loss

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Current service cost	0.59	0.40
Past Service Cost	-	-
<b>Amount recognized in the statement of profit and loss</b>	<b>0.59</b>	<b>0.40</b>

#### Actuarial assumptions

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 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.

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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 42 - Financial Instruments by Category

For amortised cost instruments, carrying value represents the best estimate of fair value.

(₹ in Crores)

Particulars	As at 31st March 2023				As at 31st March 2022			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
<b>Financial Assets</b>								
Investment in equity instruments	-	121.42	-	121.42	-	97.72	-	97.72
Investment in mutual funds/AIF	349.33	-	-	349.33	364.21	-	-	364.21
Investment in Bonds	-	-	63.75	63.75	-	-	95.54	95.54
Investment in Debentures	-	-	483.64	483.64	-	-	135.94	135.94
Investment in government securities	-	-	0.07	0.07	-	-	0.07	0.07
Trade receivables	-	-	228.67	228.67	-	-	103.88	103.88
Loans	-	-	0.13	0.13	-	-	0.15	0.15
Security deposit	-	-	17.94	17.94	-	-	17.96	17.96
Cash and cash equivalents	-	-	46.04	46.04	-	-	42.77	42.77
Other financial asset	-	-	13.86	13.86	-	-	13.76	13.76
Margin money	-	-	6.96	6.96	-	-	115.00	115.00
<b>Total</b>	<b>349.33</b>	<b>121.42</b>	<b>861.06</b>	<b>1,331.81</b>	<b>364.21</b>	<b>97.72</b>	<b>525.07</b>	<b>987.00</b>
<b>Financial Liabilities</b>								
Borrowings	-	-	389.75	389.75	-	-	178.60	178.60
Lease Liabilities	-	-	3.03	3.03	-	-	3.86	3.86
Trade payable	-	-	754.44	754.44	-	-	521.35	521.35
Security deposit	-	-	-	-	-	-	0.51	0.51
Other financial liabilities	-	-	81.76	81.76	-	-	47.22	47.22
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,228.98</b>	<b>1,228.98</b>	<b>-</b>	<b>-</b>	<b>751.54</b>	<b>751.54</b>

#### (a) Fair value hierarchy

##### Financial assets and liabilities measured at fair value - recurring fair value measurement

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Financial Assets</b>		
<b>Financial investments at FVOCI</b>		
Unquoted equity instruments	121.42	97.72
<b>Financial investments at FVTPL</b>		
Mutual Fund/AIF	349.33	364.21
<b>Total</b>	<b>470.75</b>	<b>461.93</b>

##### Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed

(₹ in Crores)

Particulars	As at 31st March 2023			As at 31st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Mutual funds/AIF	349.33	-	-	364.21	-	-
Debentures	483.64	-	-	135.94	-	-
Bonds	63.75	-	-	95.54	-	-
Unquoted equity instruments	-	-	121.42	-	-	97.72
Investment in Government Securities	-	0.07	-	-	0.07	-
<b>Total</b>	<b>896.72</b>	<b>0.07</b>	<b>121.42</b>	<b>595.69</b>	<b>0.07</b>	<b>97.72</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 42 - Financial Instruments by Category (Contd.)

**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	As at 31st March 2023		As at 31st March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
<b>Carried at FVOCI</b>				
Investments in equity instruments	121.42	121.42	97.72	97.72
<b>Carried at amortised cost</b>				
Trade receivables	228.67	228.67	103.88	103.88
Loans	0.13	0.13	0.15	0.15
Security deposit	17.94	17.94	17.96	17.96
Cash and cash equivalents	46.04	46.04	42.77	42.77
Other financial asset	13.86	13.86	13.76	13.76
Margin money	6.96	6.96	115.00	115.00
Investment in Bonds	63.75	63.75	95.54	95.54
Investment in Debentures	483.64	483.64	135.94	135.94
Investment in Government Securities	0.07	0.07	0.07	0.07
<b>Carried at FVTPL</b>				
Investments in mutual funds	349.33	349.33	364.21	364.21
<b>Total</b>	<b>1,331.81</b>	<b>1,331.81</b>	<b>987.00</b>	<b>987.00</b>

(₹ in Crores)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Liabilities</b>				
<b>Carried at amortised cost</b>				
Borrowings	389.75	389.75	178.60	178.60
Lease Liabilities	3.03	3.03	3.86	3.86
Trade payable	754.44	754.44	521.35	521.35
Security deposit	-	-	0.51	0.51
Other financial liabilities	81.76	81.76	47.22	47.22
<b>Total</b>	<b>1,228.98</b>	<b>1,228.98</b>	<b>751.54</b>	<b>751.54</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 42 - Financial Instruments by Category (Contd.)

#### (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.
- (v) There have been no transfers between Level 1 and Level 2 for the period ended March 31, 2023 and period ended March 31, 2022.

### Note 43 - 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.

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Variable rate borrowings	388.66	137.71
Fixed rate borrowings	1.09	40.89

#### 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:



## Significant Accounting Policies for the period ended 31st March 2023

### Note 42 - Financial Instruments by Category (Contd.)

(₹ in Crores)

Particulars	Effect on Profit before tax	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Increase by 50 basis points (31 March 2022: 50 bps)	(1.94)	(0.69)
Decrease by 50 basis points (31 March 2022: 50 bps)	1.94	0.69

#### b) Foreign currency risks

The Company's functional currency is Indian Rupees (₹). 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 favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

(₹ in Crores)

Nature of Item	Currency	For the year ended 31st March 2023		For the year ended 31st March 2022	
		Value In Foreign Currency	Value In ₹	Value In Foreign Currency	Value In ₹
Creditors	USD (\$)	3.76	309.41	5.13	388.59
Creditors	EURO (€)	-	-	0.08	6.73
Creditors	CNY(¥)	5.47	64.57	-	-
Debtors	USD (\$)	0.37	30.50	0.02	1.78

#### 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 before tax	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>USD Sensitivity</b>		
Increase by 5% (31st March 2022 - 5%)	(17.17)	(19.68)
Decrease by 5% (31st March 2022 - 5%)	17.17	19.68

### 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 ₹1331.81 Crores and ₹987.00 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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 42 - Financial Instruments by Category (Contd.)

#### (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, 2023 and March 31, 2022 is the carrying amount as illustrated in Note 42.

### (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 table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

(₹ in Crores)

Particulars	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
<b>Period ended 31st March 2023</b>					
Contractual maturities of borrowings	388.98	0.29	0.30	0.17	389.75
Contractual maturities of lease obligations	0.98	0.60	0.81	0.65	3.03
Contractual maturities of other financial liabilities	81.76	-	-	-	81.76
Contractual maturities of trade payables	732.75	11.13	10.54	-	754.42

Particulars	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
<b>Period ended 31st March 2022</b>					
Contractual maturities of borrowings	178.06	0.28	0.26	-	178.60
Contractual maturities of lease obligations	0.83	0.97	1.41	0.65	3.86
Contractual maturities of other financial liabilities	47.73	-	-	-	47.73
Contractual maturities of trade payables	509.90	1.15	10.30	-	521.35

## Significant Accounting Policies for the period ended 31st March 2023

### Note 44 - Ind As 116

(i) Carrying value of Right-of-use assets by class:

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	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>As at 1st April 2022</b>	21.88	22.25
<b>Addition during the year</b>		
Leasehold Land	-	-
Leasehold Building	-	0.74
<b>Depreciation Expense</b>		
Leasehold Land	0.17	0.25
Leasehold Building	0.88	0.86
<b>As at 31st March 2023</b>	<b>20.83</b>	<b>21.88</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
As at 1st April 2022	3.86	3.81
Add: Additions during the year	-	<b>0.74</b>
Add: Finance Cost	0.36	0.40
Less: Rent	1.19	1.09
<b>As at 31st March 2023</b>	<b>3.03</b>	<b>3.86</b>

### Note 45 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures)

Particulars	As at 31st March 2023	As at 31st March 2022
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)
		Shyam Sel and Power Limited
Step-down Subsidiary Company	Hrashva Storage and Warehousing Private Limited.	Hrashva Storage and Warehousing Private Limited.
		Shyam Energy Limited
		Taurus Estates Private Limited
		Whispering Developers Private Limited
		Meadow Housing Private Limited
		Platinum Minmet Private Limited
		Shree Venkateshwara Electroplast Private Limited
	Shree Venkateshwara Electroplast Private Limited (w.e.f 31/08/2021)	

## Significant Accounting Policies for the period ended 31st March 2023

### Note 45 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Particulars	As at 31st March 2023	As at 31st March 2022
	Nirjhar Commercials Private Limited	Nirjhar Commercials Private Limited
	Shree Sikhar Iron & Steel Private Limited	Shree Sikhar Iron & Steel 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)	
Associates	Meghana Vyapar Private Limited	Meghana Vyapar Private Limited Kecons Tradecare Private Limited (Upto 09/09/2021) Kolhan Complex Private Limited (Upto 09/09/2021)
Joint Venture	MJSJ Coal Limited	MJSJ Coal Limited
Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions/ balance during the year:	Sygma Tubes and Pipes Private Limited	Platinum Minmet Private Limited (upto 30/06/2021)
	Dorite Tracon Private Limited	Dorite Tracon Private Limited
	Shyam Solar Appliance Private Limited	Shyam Solar Appliance Private Limited
	Narantak Dealcomm Limited	Narantak Dealcomm Limited
	Shyam Ferro Alloys Limited	Shyam Ferro Alloys Limited
	Swarnrekha Abasan Private Limited	Swarnrekha Abasan Private Limited
	Subham Capital Private Limited	Subham Capital Private Limited
	Subham Buildwell Private Limited	Subham Buildwell Private Limited
	Toplight Mercantiles Private Limited	Toplight Mercantiles Private Limited
	Kalpataru Housefin & Trading Private Limited	Kalpataru Housefin & Trading Private Limited
	Subham Capital Private Limited	Subham Capital Private Limited
	Brij Bhusan Agarwal & Sons HUF	Brij Bhusan Agarwal & Sons HUF
	Elysian Beautification Private Limited	Elysian Beautification Private Limited Sygma Tubes and Pipes Private Limited (w.e.f. 05/10/2021)
Key Management Personnel:	Brij Bhushan Agarwal (Managing Director & Vice Chariman)	Brij Bhushan Agarwal (Managing Director & Vice Chairman)
	Sanjay Kumar Agarwal (Joint Managing Director)	Sanjay Kumar Agarwal (Joint Managing Director)
	Bhagwan Shaw ( Wholetime Director) (upto 08/11/2022)	Bhagwan Shaw (Wholetime Director)
	Dev Kumar Tiwari (Wholetime Director)	Dev Kumar Tiwari (Wholetime Director)
	Deepak Agarwal (Wholetime Director and CFO) (Appointed as CFO w.e.f. 05/05/2023)	Shri Deepak Agarwal (Wholetime Director)
	Birendra Kumar Jain(Company Secretary)	Birendra Kumar Jain(Company Secretary)
	Shree Kumar Dujari (Chief Financial Officer) (upto 08/11/2022)	Shree Kumar Dujari (Chief Financial Officer)

## Significant Accounting Policies for the period ended 31st March 2023

### Note 45 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Particulars	As at 31st March 2023	As at 31st March 2022
	Mr. Mahabir Prasad Agarwal (Non Executive Director)	Mr. Mahabir Prasad Agarwal (Non Executive Director)
	Shri Venkata Krishna Nageswara Rao Majji (Independent Director) (upto 14/02/2023)	Shri Venkata Krishna Nageswara Rao Majji (Independent Director)
	Shri Ashok Kumar Jaiswal (Independent Director)	Shri Ashok Kumar Jaiswal (Independent Director)
	Shri Yudhvir Singh Jain (Independent Director)	Shri Yudhvir Singh Jain (Independent Director)
	Shri Kishan Gopal Baldwa (Independent Director)	Shri Kishan Gopal Baldwa (Independent Director)
	Shri Nand Gopal Khaitan (Independent Director) (w.e.f. 14/02/2023)	Shri Ajay Choudhury (Independent Director)
	Shri Ajay Choudhury (Independent Director) (upto 14/02/2023)	Smt.Rajni Mishra (Independent Director)
	Smt.Rajni Mishra (Independent Director)	
Relatives of 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 Agarwal
	Mrs. Mittu Agarwal - Wife of Mr. Brij Bhushan Agarwal	Mrs. Mittu Agarwal - Wife of Mr. Brij Bhushan Agarwal
	Mrs. Anita Jhunjunwala - Daughter of Mr. Mahabir Prasad Agarwal	Mrs. Anita Jhunjunwala - Daughter of Mr. Mahabir Prasad Agarwal
	Mrs. Bina Devi Agarwal - Mother of Mr. Sanjay Kumar Agarwal	Mrs. Bina Devi Agarwal - Mother of Mr. Sanjay Kumar Agarwal
	Mrs. Pooja Agarwal - Wife of Mr. Sanjay Kumar Agarwal	Mrs. Pooja Agarwal - Wife of Mr. Sanjay Kumar Agarwal
	Mr. Mahabir Prasad Agarwal - Father of Mr. Brij Bhushan Agarwal	Mr. Mahabir Prasad Agarwal - Father of Mr. Brij Bhushan Agarwal
	Mrs. Sangeeta Tiwari - Wife of Mr. Dev Kumar Tiwari	Mrs. Sangeeta Tiwari - Wife of Mr. Dev Kumar Tiwari
	Mrs. Vandana Dujari - Wife of Mr. Shree Kumar Dujari	Mrs. Vandana Dujari - Wife of Mr. Shree Kumar Dujari
	Mr. Subham Agarwal - Son of Mr. Brij Bhushan Agarwal	Mr. Subham Agarwal - Son of Mr. Brij Bhushan Agarwal
	Mr. Sheetij Agarwal - Son of Mr. Brij Bhushan Agarwal	Mr. Sheetij Agarwal - Son of Mr. Brij Bhushan Agarwal
	Mr. Divyansh Agarwal - Son of Mr. Sanjay Agarwal	Mr. Divyansh Agarwal - Son of Mr. Sanjay 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 31st March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 45 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Type of Transactions	Subsidiary, Associates and Joint Venture		Enterprises over which Key Management Personnel and / or their relatives have significant influence		TOTAL	
	For the period ended		For the period ended		For the period ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>1. Sale of Goods</b>						
Shyam Sel & Power Limited	567.86	229.81	-	-	567.86	229.81
Syigma Tubes & Pipes Private Limited	0.15	-	-	-	0.15	-
<b>2. Purchase of Licence</b>						
Shree Venkateswara Electrocast Private Limited	0.01	-	-	-	0.01	-
<b>3. Purchase of Goods</b>						
Kalinga Infra Projects Limited	-	7.06	-	-	-	7.06
Shyam Ferro Alloys Limited	2.87	-	-	-	2.87	-
Shyam Sel & Power Limited	276.81	133.03	-	-	276.81	133.03
<b>4. Rent Paid</b>						
Hrashva Storage and Warehousing Private Limited	-	0.02	-	-	-	0.02
<b>6. Transactions with KMP and their relatives</b>						
Salaries and other benefits	-	-	4.34	4.18	4.34	4.18
Advances	-	-	-	0.90	-	0.90
<b>7. Sitting fees paid to independent directors</b>						
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. N G Khaitan	-	-	0.00	-	0.00	-
Mr. Kishan Gopal Baldwa	-	-	0.01	0.03	0.01	0.03
Mr. Rajni Mishra	-	-	0.01	0.02	0.01	0.02
<b>8. Purchase of Investments</b>						
Shyam Sel & Power Limited	-	0.10	-	-	-	0.10
<b>9. Sale of Investments</b>						
Narantak Dealcomm Limited	-	14.88	-	-	-	14.88
Dorite Tracon Private.Limited	-	4.57	-	-	-	4.57
Shyam Sel & Power Limited	-	0.30	-	-	-	0.30
<b>10. Reimbursement of Expenses</b>						
Narantak Dealcomm Limited	-	-	-	0.00	-	0.00
Kalinga Infra Projects Limited	-	0.00	-	-	-	0.00
Shyam Energy Limited	0.00	-	-	-	0.00	-
Ramsarup Industries Limited	0.00	-	-	-	0.00	-
Hrashva Storage and Warehousing Private Limited	-	-	-	-	-	-
Shyam Sel and Power Limited	-	5.76	-	-	-	5.76
Elysian Beautification Pvt Ltd	-	-	-	0.37	-	0.37
<b>11. Advances Given/Refunded</b>						
Shyam Sel and Power Limited	1,660.72	406.88	-	-	1,660.72	406.88
Ramsarup Industries Limited	0.01	-	-	-	0.01	-
Meghana Vyaapar Private Limited	-	0.00	-	-	-	0.00
Syigma Tubes & Pipes Pvt. Ltd.	-	-	2.84	-	2.84	-
Shyam Ferro Alloys Limited	-	-	0.05	50.14	0.05	50.14
Shyam Energy Limited	-	0.07	-	-	-	0.07

## Significant Accounting Policies for the period ended 31st March 2023

### Note 45 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Type of Transactions	Subsidiary, Associates and Joint Venture		Enterprises over which Key Management Personnel and / or their relatives have significant influence		TOTAL	
	For the period ended		For the period ended		For the period ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>12. Advances Received back/taken</b>						
Shyam Sel and Power Limited	1,371.06	513.56	-	-	1,371.06	513.56
Meghana Vyaapar Private Limited	-	0.00	-	-	-	0.00
Shyam Ferro Alloys Limited	-	-	-	50.14	-	50.14
<b>13. Loans Received</b>						
Narantak Dealcomm Limited	-	-	-	20.00	-	20.00
<b>14. Loans Repaid</b>						
Narantak Dealcomm Limited	-	-	-	20.00	-	20.00
<b>15. Loans Given</b>						
Shyam Sel and Power Limited	-	256.00	-	-	-	256.00
<b>16. Loans Received Back</b>						
Shyam Sel and Power Limited	-	256.00	-	-	-	256.00
<b>17. Interest on Loan Given</b>						
Shyam Sel and Power Limited	-	5.79	-	-	-	5.79
<b>18. Interest on Loan Taken</b>						
Narantak Dealcomm Limited	-	-	-	0.02	-	0.02
<b>19. Dividend Received</b>						
Shyam Sel and Power Limited	-	61.78	-	-	-	61.78
<b>20. Dividend Paid</b>						
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 Pvt. Ltd.	-	-	31.74	50.79	31.74	50.79
Toplight Mercantiles Pvt. Ltd.	-	-	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	0.02	0.03
Bajrang Lal Agarwal	-	-	0.00	0.00	0.00	0.00
Sanjay 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
<b>21. Balances outstanding on account of Receivables/(Payable)</b>						
Ramsarup Industries Limited	0.22	-	-	-	-	-
Shyam Sel and Power Limited	17.99	-	-	-	17.99	-
Shree Venkateswara Electrocast Pvt. Ltd.	(0.01)	-	-	-	-	-
Damodar Aluminum Pvt Ltd.	-	-	0.01	0.01	0.01	0.01
Elysian Beautification Pvt Ltd	-	-	-	-	-	-
Shyam Energy Limited	0.13	0.12	-	-	0.13	0.12
Syigma Tubes & Pipes Pvt. Ltd.	-	-	3.00	-	3.00	-

Note - 0.00 represents figures less than 1 lakhs.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 46 - 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	As at	As at
	31st March 2023	31st March 2022
Borrowings (Note - 19 and 24)	389.75	178.60
Trade payables (Note-25)	754.44	521.35
Less: Cash and cash equivalents (Note-11 )	46.04	42.77
Less: Current investments (Note - 9)	250.71	355.06
Net debt	847.44	302.12
Equity	255.08	255.08
Other Equity	3,595.97	3,395.10
	3,851.05	3,650.18
Capital and net debt	4.54	12.08
Gearing ratio	18.04%	7.64%

"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 year ended March 31, 2023 and year ended March 31, 2022.

### Note 47 - Statutory Auditors' remuneration (excluding goods and service tax) and expenses :

(₹ in Crores)

Particulars	As at	As at
	31st March 2023	31st March 2022
Statutory Audit Fees	0.13	0.13
Tax Audit Fees	0.03	0.03
Fees for Other Services	0.07	0.12
<b>Total</b>	<b>0.23</b>	<b>0.28</b>

### Note 48 - Additional Information

#### i) Expenditure in Foreign Currency (on accrual basis)

(₹ in Crores)

Particulars	As at	As at
	31st March 2023	31st March 2022
Travelling expenses	0.06	0.05
Raw Materials	1,032.56	246.26
Interest on Loan	0.63	0.17

#### ii) Earnings in Foreign Currency (on accrual basis)

(₹ in Crores)

Particulars	As at	As at
	31st March 2023	31st March 2022
Exports (F.O.B. value)	175.04	335.26



## Significant Accounting Policies for the period ended 31st March 2023

**Note 49** - The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.944% and the reported tax expense in profit or loss are as follows :-

### Effective Tax Reconciliation

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Accounting profit before income tax	297.37	1,112.27
Enacted tax rate in India	34.94%	34.94%
Computed expected tax expenses	103.91	388.67
Tax holidays	(185.93)	(212.62)
Income exempted from tax	-	(61.78)
Other Adjustments	80.36	187.73
<b>Income Tax recognised in Profit and Loss account</b>	<b>(1.66)</b>	<b>302.00</b>

### Note 50 - Details of CSR expenditure:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
i) Amount required to be spent by the company during the year	11.53	6.35
ii) Amount of expenditure incurred	3.15	17.98
vi) Amount of CSR expenditure brought forward for set off	11.63	
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall (cumulative)	-	-
v) Reason for shortfall	NA	NA
vi) Amount of CSR expenditure carried forward for set off	3.25	11.63
vii) Nature of CSR activities	Eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects.	
viii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	15.21
ix) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

### Note 51 - Value of imports calculated on CIF Basis

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Materials	463.27	246.26

## Significant Accounting Policies for the period ended 31st March 2023

### Note 52 - Accounting Ratios

Name of the Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance #
Current Ratio (in times)	Current Assets	Current Liabilities	1.52	2.35	-35%
Debt - Equity Ratio (in times)	Total Debt	Equity	0.10	0.05	102%
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Total Debt Service	368.28	246.92	49%
Return on Equity (in %)	Net Profit - Preferred Dividends	Average Shareholder Equity	8%	27%	-70%
Inventory Turnover Ratio (in times)	Sales	Average Inventory	5.79	6.04	-4%
Trade Receivable Turnover Ratio (in times)	Net Sales	Average Accounts Receivables	37.52	23.09	63%
Trade Payable Turnover Ratio (in times)	Net Purchases	Average Trade Payables	7.64	10.21	-25%
Net Capital Turnover Ratio (in times)	Net Sales	Working Capital	9.08	3.90	133%
Net Profit Ratio (in %)	Net Profit	Net Sales	5%	17%	-72%
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital employed	6%	26%	-76%
Return on Investment (in %)	Income from Investments	Average Investments	8.26%	4.63%	78%

# Explanation for Variance more than 25% - Higher revenue and higher purchases as compared to the previous financial year and also increase in debt during the current financial year has led to the variance in ratios more than 25% in FY 2022-23 as compared to the FY 2021-22.

#### Definitions:

- Earning for available for debt service = Profit before taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc
- Debt service = Interest & Lease Payments + Principal Repayments
- Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- Net sales = Revenue from Operations less Other Operating Revenue
- Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- Net purchases = Gross Purchases - Purchase Return
- Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- Working capital = Current assets - Current liabilities.
- Earning before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income
- Capital Employed = Tangible Net Worth\* + Total Debt + Deferred Tax Liability \* Net worth means the aggregate of equity share capital and other equity inclusive of net gain consequent to fair valuation of certain assets on transition to Ind AS excluding intangible assets.
- Income from investment= Net gain/loss on sale/fair value changes of Mutual Fund.

### Note 53 - 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 54 - 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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 55 - Disclosure of Transactions with Struck off Companies

The Company 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 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 - Other Disclosures

#### Additional Regulatory Information

Amended Schedule III requires additional regulatory information to be provided in financial statements.

- a) **Details of Benami Property held :** The Company does not hold any Benami Property and hence there were no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the Rules made there under, hence no disclosure is required to be given as such.
- b) **Wilful Defaulter :** The Company has not been declared as wilful defaulter as at the date of the balance sheet or on the date of approval of the financial statements, hence no disclosure is required as such.
- c) **Registration of Charges or Satisfaction with Registrar of Companies (ROC) :** There are no charges against the companies which are yet to be registered or satisfaction yet to be registered with ROC beyond the statutory period, hence no disclosures are required as such.
- d) **Compliance with number of layers of companies :** The Company does not have any investment in any downstream companies for which it has to comply with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017, hence no disclosure is required as such.
- e) **Utilization of Borrowings :** Borrowings taken by the company have been utilized only for the purpose for which it was obtained.
- f) **Details of Crypto Currency or Virtual Currency :** The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year, hence disclosure requirements for the same is not applicable.
- g) 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.

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**

**Vivek Agarwal**  
Partner  
Membership No: 301571

**Brij Bhushan Agarwal**  
Vice Chairman cum Managing Director  
DIN 01125056

**Sanjay Kumar Agarwal**  
Joint Managing Director  
DIN 00232938

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, 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
<p><b>Revenue from Sale of Goods [Refer to Note 30 to the consolidated financial statements]</b></p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.</li> <li>• Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition.</li> <li>• 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.</li> <li>• Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying documents.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>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.</li> <li>Assessed the relevant disclosures made in the consolidated financial statements.</li> </ul>
<b>The Group's Exposure to Litigations Risk and related disclosure of Contingent Liabilities [Refer to Note 41 (b) to the consolidated financial statements]</b>	
<p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Understood the process followed by the Group for assessment of litigations and determination of Contingent Liabilities relating to relevant laws and regulations.</li> <li>Inquired with the management for recent developments and the status of the material litigations which were reviewed and noted.</li> <li>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.</li> <li>Evaluated management's assessments and position by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/ judgements.</li> <li>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.</li> </ul>

### 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 ₹2024.51 crores as at March 31, 2023, total revenues of ₹94.32 crores, total net loss after tax of ₹26.86 crores and total comprehensive loss of ₹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 ₹0.14 crores and Group's share of total comprehensive income of ₹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 day 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 Metals 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

## Consolidated Balance Sheet as at 31st March, 2023

(₹ in Crores)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
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
<b>Total non-current assets (A)</b>		<b>6,887.44</b>	<b>3,751.30</b>
<b>Current Assets</b>			
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
<b>Total current assets (B)</b>		<b>4,301.24</b>	<b>4,673.72</b>
<b>Total Assets (A + B)</b>		<b>11,188.68</b>	<b>8,425.02</b>
<b>Equity and Liabilities</b>			
a) Equity Share Capital	17	255.08	255.08
b) Other Equity	18	6,907.37	5,579.59
<b>Total Equity (A)</b>		<b>7,162.45</b>	<b>5,834.67</b>
<b>Non Controlling Interest (B)</b>		<b>385.62</b>	<b>3.99</b>
<b>Non-Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
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
<b>Total non-current liabilities (C)</b>		<b>663.77</b>	<b>436.52</b>
<b>Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
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
<b>Total current liabilities (D)</b>		<b>2,976.84</b>	<b>2,149.85</b>
<b>Total Equity and Liabilities (A + B + C + D)</b>		<b>11,188.68</b>	<b>8,425.02</b>
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

**Vivek Agarwal**  
Partner  
Membership No: 301571

**Brij Bhushan Agarwal**  
Vice Chairman cum Managing Director  
DIN 01125056

**Sanjay Kumar Agarwal**  
Joint Managing Director  
DIN 00232938

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

## Consolidated Statement of Profit and Loss for the period ended 31st March' 2023

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>INCOME</b>			
<b>I</b> Revenue from operations	30	12,610.18	10,393.96
<b>II</b> Other Income	31	112.01	60.01
<b>III Total Income (I+II)</b>		<b>12,722.19</b>	<b>10,453.97</b>
<b>IV EXPENSES</b>			
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
<b>Total Expense(IV)</b>		<b>11,680.50</b>	<b>8,089.78</b>
<b>V Profit before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)</b>		<b>1,041.69</b>	<b>2,364.19</b>
<b>VI</b> Share in Profit/(Loss) of Associate and Joint Venture		0.14	0.14
<b>Profit/(Loss) before tax (V+VI)</b>		<b>1,041.83</b>	<b>2,364.33</b>
<b>VII</b> Tax expense:	38		
(i) Current tax		234.59	539.46
Add: MAT Credit Utilized		-	100.79
(ii) Deferred tax		(41.17)	(0.08)
<b>Profit/(Loss) for the period (VI-VII)</b>		<b>848.41</b>	<b>1,724.18</b>
<b>IX Profit for the Year (VIII+IX+X)</b>		<b>848.41</b>	<b>1,724.18</b>
Profit / Loss attributable to Non Controlling Interest		(9.19)	(0.36)
Profit / Loss attributable to owners of the Parent		857.60	1,724.54
<b>X Other comprehensive income</b>			
(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)
<b>Other comprehensive income for the year</b>		<b>15.36</b>	<b>43.57</b>
<b>XI Total Comprehensive Income for the period (XI+XII)</b>		<b>863.77</b>	<b>1,767.75</b>
Comprehensive Income attributable to Non Controlling Interest		(9.19)	(0.36)
Comprehensive Income attributable to owners of the Parent		872.96	1,768.11
<b>XII Earning per Equity Share of ₹10 each (in ₹)</b>			
<b>Basic(₹)</b>	39	<b>33.26</b>	<b>68.91</b>
<b>Diluted(₹)</b>		<b>33.26</b>	<b>68.91</b>
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

**Vivek Agarwal**  
Partner  
Membership No: 301571

**Brij Bhushan Agarwal**  
Vice Chairman cum Managing Director  
DIN 01125056

**Sanjay Kumar Agarwal**  
Joint Managing Director  
DIN 00232938

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

## Consolidated Cash flow Statement for the period ended 31st March' 2023

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A. Cash flow from operating activities:</b>		
Net Profit Before Tax	1,041.83	2,364.33
<b>Adjustments for:</b>		
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
<b>Operating Profit Before Working Capital Changes</b>	<b>1,499.65</b>	<b>2,588.72</b>
<b>Adjustments for :</b>		
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 current	(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)
<b>Cash flow from operating activities before taxes</b>	<b>1,742.36</b>	<b>2,134.64</b>
Direct Taxes Paid (net)	(235.49)	(573.44)
<b>Net cash flow from operating activities (A)</b>	<b>1,506.87</b>	<b>1,561.20</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of Property Plant & Equipment (Net)	<b>(1,578.92)</b>	<b>(939.88)</b>
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

## Consolidated Cash flow Statement for the period ended 31st March' 2023

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Net cash from investing activities (B)</b>	<b>(1,954.95)</b>	<b>(1,799.94)</b>
<b>C. Cash flow from financing activities:</b>		
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)
<b>Net cash from financing activities (C)</b>	<b>430.96</b>	<b>166.80</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(17.12)</b>	<b>(71.94)</b>
Cash and cash equivalents at the beginning of the year	91.90	163.84
<b>Cash and cash equivalents at the end of the year</b>	<b>74.78</b>	<b>91.90</b>

### Notes to the cash flow statement

- 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".
- 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
<b>Total</b>	<b>74.78</b>	<b>91.90</b>

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

**Vivek Agarwal**  
Partner  
Membership No: 301571

**Brij Bhushan Agarwal**  
Vice Chairman cum Managing Director  
DIN 01125056

**Sanjay Kumar Agarwal**  
Joint Managing Director  
DIN 00232938

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

## Consolidated Statement of Changes in Equity for the period 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				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
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves					
<b>Balance at 1st April 2022</b>	<b>782.36</b>	<b>4,346.63</b>	<b>364.53</b>	<b>1.10</b>	<b>84.97</b>	-	<b>5,579.59</b>	<b>3.99</b>	<b>5,583.58</b>
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	-	-	-
<b>Balance at 31st March 2023</b>	<b>782.36</b>	<b>5,088.19</b>	<b>934.11</b>	<b>1.10</b>	<b>101.58</b>	<b>0.02</b>	<b>6,907.37</b>	<b>385.62</b>	<b>7,292.99</b>
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
<b>Balance at 31st March 2022</b>	<b>782.36</b>	<b>4,346.63</b>	<b>364.53</b>	<b>1.10</b>	<b>84.97</b>	-	<b>5,579.59</b>	<b>3.99</b>	<b>5,583.58</b>

### Notes forming part of 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

**Vivek Agarwal**  
 Partner  
 Membership No: 301571

**Brij Bhushan Agarwal**  
 Vice Chairman cum Managing Director  
 DIN 01125056

**Sanjay Kumar Agarwal**  
 Joint Managing Director  
 DIN 00232938

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



## Significant Accounting Policies for the period ended 31st March 2023

### 1. 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 its 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.

## Significant Accounting Policies for the period ended 31st March 2023

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.

## Significant Accounting Policies for the period ended 31st March 2023

### 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

## Significant Accounting Policies for the period ended 31st March 2023

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

## Significant Accounting Policies for the period ended 31st March 2023

- 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.

## Significant Accounting Policies for the period ended 31st March 2023

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.

## I. 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.

## Significant Accounting Policies for the period ended 31st March 2023

### 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.

## Significant Accounting Policies for the period ended 31st March 2023

### 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



## Significant Accounting Policies for the period ended 31st March 2023

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.

## Significant Accounting Policies for the period ended 31st March 2023

### 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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 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	
<b>Total</b>	<b>4,079.53</b>	<b>727.78</b>	<b>790.73</b>	<b>51.35</b>	<b>5,546.69</b>	<b>1,696.02</b>	<b>570.82</b>	<b>457.76</b>	<b>45.74</b>	<b>2,678.86</b>	<b>2,867.83</b>	

(₹ 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	
<b>Total</b>	<b>3,169.92</b>	<b>26.14</b>	<b>883.47</b>	<b>0.00</b>	<b>4,079.53</b>	<b>1,411.01</b>	<b>14.53</b>	<b>270.75</b>	<b>0.26</b>	<b>1,696.02</b>	<b>2,383.52</b>	

(a) Refer note 41(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(b) Refer note 19 &amp; 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	
<b>Total</b>	<b>70.69</b>	<b>12.25</b>	<b>1.32</b>	<b>-</b>	<b>84.26</b>	<b>4.67</b>	<b>1.79</b>	<b>1.41</b>	<b>-</b>	<b>7.89</b>	<b>76.37</b>	

There are some lands in the possession of the company but the title deeds has not been transferred in the name of the company.

(₹ 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	
<b>Total</b>	<b>45.94</b>	<b>24.01</b>	<b>0.74</b>	<b>-</b>	<b>70.69</b>	<b>3.24</b>	<b>-</b>	<b>1.43</b>	<b>-</b>	<b>4.68</b>	<b>66.01</b>	

## Significant Accounting Policies for the period ended 31st March 2023

### Note 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
<b>Total</b>	<b>768.28</b>	<b>2,656.69</b>	<b>656.05</b>	<b>2,768.92</b>

(₹ 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
<b>Total</b>	<b>506.41</b>	<b>1,121.41</b>	<b>859.54</b>	<b>768.28</b>

Note - There are no projects which are overdue as on 31.03.2023 and 31.03.2022 respectively.

### Capital work-in-progress ageing schedule for the year ended March 31, 2023

(₹ in Crores)

Particulars	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	2,502.89	254.31	3.11	8.61	2,768.92	
<b>Total Capital work-in-progress</b>	<b>514.66</b>	<b>254.31</b>	<b>3.11</b>	<b>8.61</b>	<b>2,768.92</b>	

### Capital work-in-progress ageing schedule for the year ended March 31, 2023

(₹ in Crores)

Particulars	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	510.70	215.41	31.80	10.37	768.28	
<b>Total Capital work-in-progress</b>	<b>270.65</b>	<b>215.41</b>	<b>31.80</b>	<b>10.37</b>	<b>768.28</b>	

Note - There are no projects which are overdue as on 31.03.2023 and 31.03.2022 respectively.

### Note 4 - Intangible Assets

(₹ in Crores)

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2022	Additions	Disposals/ Adjustment	31st March 2023	1st April 2022	Additions	Disposals/ Adjustment	31st March 2023	31st March 2023
Software	7.77	0.55	-	8.32	2.68	3.79	-	6.47	1.85
<b>Total</b>	<b>7.77</b>	<b>0.55</b>	<b>-</b>	<b>8.32</b>	<b>2.68</b>	<b>3.79</b>	<b>-</b>	<b>6.47</b>	<b>1.85</b>

(₹ in Crores)

Particulars	Gross block				Accumulated depreciation				Net block
	1st April 2021	Additions	Disposals/ Adjustment	31st March 2022	1st April 2021	Additions	Disposals/ Adjustment	31st March 2022	31st March 2022
Software	2.19	5.58	-	7.77	1.54	1.14	-	2.68	5.09
<b>Total</b>	<b>2.19</b>	<b>5.58</b>	<b>-</b>	<b>7.77</b>	<b>1.54</b>	<b>1.14</b>	<b>-</b>	<b>2.68</b>	<b>5.09</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 5 - Investments in associates and joint ventures

(₹ in Crores)

Particulars	Number of shares		For the year ended		
	As at 31st March 2023	As at 31st March 2022	Face Value (In ₹)	As at 31st March 2023	As at 31st March 2022
<b>Investments measured at cost/deemed cost</b>					
<b>Investment in Associates</b>					
Kolhan Complex Private Limited	1,61,200	1,61,200	10	1.20	1.20
Add: Share In Profit / (Loss)				-	-
				<b>1.20</b>	<b>1.20</b>
Meghana Vyapaar Private Limited	1,00,000	1,00,000	10	0.24	0.10
Add: Share In Profit/(Loss)				0.14	0.14
				<b>0.37</b>	<b>0.24</b>
<b>Sub - Total</b>				<b>1.57</b>	<b>1.44</b>
<b>Investment in Joint Ventures</b>					
Kalinga Energy & Power Ltd	1,25,000	1,25,000	10	0.13	0.13
Add: Share In Profit/(Loss)				-	-
				<b>0.13</b>	<b>0.13</b>
Karo River Pellets Private Limited	5,000	5,000	10	0.01	0.01
Add: Share In Profit/(Loss)				-	-
				<b>0.01</b>	<b>0.01</b>
<b>Sub - Total</b>				<b>0.14</b>	<b>0.13</b>
<b>TOTAL</b>				<b>1.71</b>	<b>1.57</b>

### Note 5A - Investments (Non-Current)

(₹ in Crores)

Particulars	Number of shares		Face Value (In ₹)	For the year ended	
	As at 31st March 2023	As at 31st March 2022		As at 31st March 2023	As at 31st March 2022
<b>Investments measured at fair value through other comprehensive income</b>					
<b>Unquoted</b>					
<b>Investment in equity instruments</b>					
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
				<b>131.65</b>	<b>107.95</b>
<b>Quoted</b>					
<b>Investment in Non-Convertible Debentures/MLD/ZCB/Bonds</b>					
<b>Investments measured at fair value through Amortised Cost</b>					
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	-

## Significant Accounting Policies for the period ended 31st March 2023

### Note 5A - Investments (Non-Current) (Contd.)

(₹ in Crores)

Particulars	Number of shares		Face Value (In ₹)	For the year ended	
	As at 31st March 2023	As at 31st March 2022		As at 31st March 2023	As at 31st March 2022
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
<b>Investments measured at fair value through Profit and Loss</b>					
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	-
<b>Investment in Mutual Funds</b>					
<b>Investments measured at fair value through Profit and Loss</b>					
SBI Fixed Maturity Plan Series 52 (1848 days)	89,99,550	89,99,550		9.47	9.15
<b>Investment in Government Securities</b>					
National Saving Certificate (VII Issue)				0.10	0.10
<b>Total</b>				<b>929.79</b>	<b>348.68</b>
<b>Aggregate amount of unquoted investments</b>				<b>131.75</b>	<b>108.05</b>
Aggregate amount of quoted investments				<b>798.05</b>	<b>240.63</b>
Aggregate market value of quoted investments				<b>798.05</b>	<b>240.63</b>

### Note 6 - Other Financial Assets (Non-Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(Unsecured, considered good)</b>		
Security deposits	17.12	14.17
Bank deposits for maturity more than 12 months	11.36	24.79
<b>Total</b>	<b>28.48</b>	<b>38.96</b>

(a) Fixed Deposits amounting to ₹10.70 Crores (31st March 2022 : 25.72 Crores) are held as margin money

## Significant Accounting Policies for the period ended 31st March 2023

### Note 7 - Other Non-Current Assets

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(Unsecured, considered good)</b>		
Capital advances	204.45	131.38
Deposits against demands under dispute	7.89	5.41
Prepaid expenses	0.15	2.37
Advance Tax	-	<b>0.03</b>
<b>Total</b>	<b>212.49</b>	<b>139.19</b>

### Note 8 - Inventories

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(Valued at lower of cost and Net Realisable Value)</b>		
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
<b>Total</b>	<b>2,205.13</b>	<b>2,057.03</b>

Inventories are hypothecated to bank against working capital facility.

## 9. Current Investments

(₹ in Crores)

Particulars	Number of shares		Face Value (In ₹)	Value of Shares	
	As at 31st March 2023	As at 31st March 2022		As at 31st March 2023	As at 31st March 2022
<b>Investment in Non-Convertible Debentures/MLD/ ZCB/Bonds</b>					
<b>Investments measured at fair value through Amortised Cost</b>					
8.23% IRFC Tax Free Bond	1,00,000	-	1,000	9.73	-
Vivriti Capital Private Limited	150	-	10,00,000	16.25	-
				<b>25.98</b>	<b>-</b>
<b>Investments measured at fair value through other comprehensive income</b>					
<b>Quoted</b>					
<b>Investment in equity instruments</b>					
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
<b>SUB-TOTAL</b>				<b>11.94</b>	<b>13.83</b>
<b>Investments measured at fair value through Profit and Loss</b>					

## Significant Accounting Policies for the period ended 31st March 2023

### 9. Current Investments (Contd.)

(₹ in Crores)

Particulars	Number of shares		Face Value (In ₹)	Value of Shares	
	As at 31st March 2023	As at 31st March 2022		As at 31st March 2023	As at 31st March 2022
<b>Investment in Non- Convertible Debenture/MLD/ ZCB</b>					
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
lifl 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
<b>SUB-TOTAL</b>				<b>87.44</b>	<b>173.70</b>
<b>Quoted</b>					
<b>Investment in Mutual Funds</b>					
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 - Arbitrage 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	-
Absl 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	-
Absl Nifty Sdl Psu Bond Sep 2026 Dg	8,38,82,132	-	-	87.98	-



## Significant Accounting Policies for the period ended 31st March 2023

### 9. Current Investments (Contd.)

(₹ in Crores)

Particulars	Number of shares		Face Value (In ₹)	Value of Shares	
	As at 31st March 2023	As at 31st March 2022		As at 31st March 2023	As at 31st March 2022
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
<b>SUB-TOTAL</b>				<b>406.27</b>	<b>498.15</b>
<b>TOTAL</b>				<b>531.62</b>	<b>685.68</b>
Aggregate amount of quoted investments				<b>531.62</b>	<b>685.68</b>
Aggregate market value of quoted investments				<b>531.62</b>	<b>685.68</b>

### Note 10 - Trade Receivables

(₹ in Crores)

Particulars	As at 31st March 2023	As at 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)
<b>Total</b>	<b>604.23</b>	<b>376.10</b>

**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

(₹ in Crores)

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
	<b>153.93</b>	<b>423.55</b>	<b>22.17</b>	<b>3.68</b>	<b>2.13</b>	<b>1.52</b>	<b>606.98</b>
Less: Allowance for expected credit loss	-	-	-	-	-	-	2.75
Less: Allowance for credit impairment	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>153.93</b>	<b>423.55</b>	<b>22.17</b>	<b>3.68</b>	<b>2.13</b>	<b>1.52</b>	<b>604.23</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 10 - Trade Receivables

#### Trade Receivable ageing schedule for the year ended as on March 31, 2022

##### Ageing of Trade Receivables

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
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
<b>Total (A)</b>	<b>52.38</b>	<b>314.01</b>	<b>7.52</b>	<b>2.91</b>	<b>0.49</b>	<b>1.45</b>	<b>378.75</b>
Less: Allowance for expected credit loss	-	-	-	-	-	-	2.65
Less: Allowance for credit impairment	-	-	-	-	-	-	-
<b>Total (B)</b>							<b>2.65</b>
<b>Total (A-B)</b>	<b>52.38</b>	<b>314.01</b>	<b>7.52</b>	<b>2.91</b>	<b>0.49</b>	<b>1.45</b>	<b>376.10</b>

### Noted 11 - Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Balance with banks:</b>		
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
<b>Total</b>	<b>74.78</b>	<b>91.90</b>

Current Account Balance for the year ended 31.03.2023 includes ₹0.29 Crores held in Escrow Account to meet IPO Expenses (31.03.2022 : 1.91)

### Note 12 - Other Balances with Banks

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unpaid Dividend</b>	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
<b>Total</b>	<b>97.08</b>	<b>233.98</b>

(a) Fixed Deposits amounting to ₹60.42 Crores (31st March 2022 : ₹31.74 Crores) are held as margin money.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 13 - Loans (Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(Unsecured, considered good)</b>		
Loan to related parties	-	2.67
Loan to body corporates - Considered Good	1.03	170.19
Loans receivable considered good	-	0.03
<b>Total</b>	<b>1.03</b>	<b>172.89</b>

### 14. Other financial assets

(₹ in Crores)

#### (Unsecured, considered good)

Particulars	As at 31st March 2023	As at 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
<b>Total</b>	<b>86.80</b>	<b>105.83</b>

### Note 15 - Current Tax Assets (Net)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Tax(Net of provisions)	104.41	37.25
<b>Total</b>	<b>104.41</b>	<b>37.25</b>

### Note 16 - Other Current Assets

#### (Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 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
<b>Total</b>	<b>596.16</b>	<b>913.06</b>

Advance to employees includes ₹0.90 Crores advance made to directors and their relatives (Previous year: 0.90 Crores)

## Significant Accounting Policies for the period ended 31st March 2023

### Note 17 - Equity Share Capital

#### a) Authorised, Issued, Subscribed and Paid up Share Capital

(₹ in Crores)

Particulars	As at	As at
	31st March 2023	31st March 2022
<b>Authorised capital</b>		
400,000,000 (March 31, 2022 - 290,000,000) Equity Shares of ₹10 each	400.00	290.00
<b>Total</b>	<b>400.00</b>	<b>290.00</b>
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
255,080,688 (March 31, 2022 - 255,080,688 ) Equity Shares of ₹10 each	255.08	255.08
	<b>255.08</b>	<b>255.08</b>

#### b) Reconciliation of equity shares outstanding at the end of the reporting period

Particulars	As at 31st March 2023		As at 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	233.61	23,36,10,100	233.61
Add: Shares issued during the year*	-	21.47	2,14,70,588	21.47
<b>Equity shares at the end of the year</b>	<b>25,50,80,688</b>	<b>255.08</b>	<b>25,50,80,688</b>	<b>255.08</b>

\* 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 ₹10 each aggregating to ₹ 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 ₹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 ₹306 per share (including a Share Premium of ₹296). Of the total equity shares, 3,00,000 equity shares were reserved for eligible employees at a discount of ₹15 per share. Total Share Premium received from IPO (net of employee discount) is ₹635.32 crores reduced by the Group's share of IPO related expenses of ₹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 immediately preceding the reporting date

Particulars	As at	As at	As at	As at	As at
	31st March 2023	31st March 2022	31st March 2021	31st March 2020	31st March 2019
Opening					
Add: Equity Shares allotted as fully paid up pursuant to contract for consideration other than cash	-	-	-	-	18,68,88,080
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,68,88,080</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 17 - Equity Share Capital (Contd.)

#### e) Aggregate number of New shares allotted as fully paid up during the period of 5 years immediately preceding the reporting date

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	<b>25,50,80,688</b>	<b>25,50,80,688</b>	<b>23,36,10,100</b>	<b>23,36,10,100</b>	<b>23,36,10,100</b>

#### 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
Repayment of borrowings	470.00
Expenses towards general corporate purposes	149.96
	<b>619.96</b>

#### g) 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
<b>Promoter Name</b>					
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%
<b>Promoter Group Name</b>					
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 Jhunhunwala	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 consequences 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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 17 - Equity Share Capital (Contd.)

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows.

(₹ in Crores)

Particulars	Year Ended	
	31st March 2023	31st March 2022
Interim dividend for fiscal 2023 (₹1.80 per share)	45.91	-
Final dividend for fiscal 2022 (₹2.70 per share)	68.87	-
Final dividend for fiscal 2021 (₹2.70 per share)	-	68.87
Interim dividend for fiscal 2022 (₹4.50 per share)	-	114.79

Out of the total dividend distributed in FY 2021-22 and FY 2022-23 an amount of ₹0.54 Crores is unpaid and is lying in our bank accounts earmarked for dividend payment

### h) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2023		As at 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%

### Note 18 - Other Equity

(₹ in Crores)

Particulars	Reserve and surplus				Other comprehensive income		Total Attributable to Owners of the parent	Attributable to Non Controlling Interest	Total Other Equity
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	FVTOCI Equity Instruments	Remeasurement of the net defined benefit plans			
<b>Balance at 1st April 2022</b>	<b>782.36</b>	<b>4,346.63</b>	<b>364.53</b>	<b>1.10</b>	<b>84.97</b>	<b>-</b>	<b>5,579.59</b>	<b>3.99</b>	<b>5,583.58</b>
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	-	-	-
<b>Balance at 31st March, 2023</b>	<b>782.36</b>	<b>5,088.19</b>	<b>934.11</b>	<b>1.10</b>	<b>101.59</b>	<b>0.02</b>	<b>6,907.37</b>	<b>385.62</b>	<b>7,292.99</b>
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
<b>Balance at 31st March, 2022</b>	<b>782.36</b>	<b>4,346.63</b>	<b>364.53</b>	<b>1.10</b>	<b>84.97</b>	<b>-</b>	<b>5,579.59</b>	<b>3.99</b>	<b>5,583.58</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 18 - Other Equity (Contd.)

#### 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) ₹635.33 Crores reduced by the Group's share of IPO related Expenses ₹31.22 Crores (31.03.2021 : NIL)

### Note 19 - Borrowings (Non-Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Secured</b>		
<b>Term Loans:</b>		
Foreign currency loan	147.16	141.00
<b>Long term Maturities Of finance lease Obligation</b>		
Commercial Vehicle Loan	1.86	1.06
<b>Sub-Total</b>	<b>149.02</b>	<b>142.06</b>
Less: Current Maturities of Long Term debt	(20.15)	(18.93)
	<b>128.87</b>	<b>123.13</b>
<b>Unsecured</b>		
Loan from Body Corporate	202.93	2.70
<b>Total</b>	<b>331.80</b>	<b>125.83</b>

#### **Repayment terms and security disclosure for the outstanding long-term borrowings (excluding current maturities) as on 31st March 2023 :**

Hire Purchase Lease is repayable in equated monthly installments & secured by assets purchased there against.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 19 - Borrowings (Non-Current) (Contd.)

#### (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 reinstatement of loan			-	-	
<b>Total</b>			<b>147.16</b>	<b>141.00</b>	

#### Note 19.1

##### Security

- 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.
- First charge by way of hypothecation over all moveable fixed assets of the Project, both present and future.
- 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.
- Second charge over all the current assets of the Project, both present and future.
- 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 amount of USD 1 million, or a higher amount, which is in integral multiples of USD 1 million or if less 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

#### Note 20 - Other Financial Liabilities (Non-Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Security deposits received	0.86	1.37
Retention Money	30.92	11.05
<b>Total</b>	<b>31.78</b>	<b>12.42</b>



## Significant Accounting Policies for the period ended 31st March 2023

### Note 21 - Provisions (Non-Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for Employee Benefits - Gratuity	17.27	12.43
Provision for Employee Benefits -Leave	2.92	1.58
<b>Total</b>	<b>20.19</b>	<b>14.01</b>

### Note 22 - Deferred Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Deferred tax liability arising on account of :</b>		
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
<b>Deferred tax assets arising on account of :</b>		
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)
	<b>113.04</b>	<b>122.45</b>
Less: MAT credit Entitlement	(41.82)	(15.18)
<b>Total</b>	<b>71.22</b>	<b>107.28</b>

### Note 23 - Other Non-Current Liabilities

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Liability for water charges	203.18	170.66
Deffered revenue grant	0.29	0.35
<b>Total</b>	<b>203.47</b>	<b>171.01</b>

### Note 23A - Lease Liabilities

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Non Current Lease Liability	5.31	5.96
Current Lease Liability	3.41	3.41
<b>Total</b>	<b>8.71</b>	<b>9.37</b>

### Note 24 - Borrowings (Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Current maturities of long term debts	20.15	18.93
<b>Secured</b>		
<b>Loans Repayable on Demand</b>		
<b>From Banks:</b>		
Working capital - Demand loan	795.00	205.13
Working capital - Cash credit	4.80	93.07
<b>Unsecured</b>		
From Banks	0.00	90.00
From Body Corporate	0.03	0.71
<b>Total</b>	<b>819.98</b>	<b>407.84</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 24 - Borrowings (Current) (Contd.)

#### 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

- Hypothecation of the entire movable fixed assets of the Group at Mangalpur unit ranking pari-passu first charge basis with other working capital lenders
- 1st pari passu charge by way of equitable mortgage of factory Land & Building of Mangalpur unit admeasuring 10 acres.
- 2nd pari-passu charge by way of equitable mortgage of factory Land & Building of Jamuria unit admeasuring 309.19 acres.
- Hypothecation of the entire moveable fixed assets of the Group at Jamuria unit ranking pari-passu second charge basis with other working capital lenders
- 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 other working capital lenders.
- 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	-	

### Note 25 - Trade Payables

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Due to micro enterprise and small enterprise	14.58	7.84
Due to others	1,510.79	1,186.10
<b>Total</b>	<b>1,525.37</b>	<b>1,193.94</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 25 - Trade Payables (Contd.)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 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

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	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	-	-	-	-	-	-
<b>Total Trade Payables</b>	<b>1,219.18</b>	<b>267.42</b>	<b>19.35</b>	<b>9.75</b>	<b>9.47</b>	<b>1,525.16</b>

### Trade Payable ageing schedule for the year ended as on March 31, 2022

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	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	-	-	-	-	-	-
<b>Total Trade Payables</b>	<b>796.43</b>	<b>376.83</b>	<b>10.36</b>	<b>-</b>	<b>10.30</b>	<b>1,193.94</b>

### Note 26 - Other Financial Liabilities (Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 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
<b>Total</b>	<b>312.06</b>	<b>200.31</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 27 - Other Current Liabilities

(₹ in Crores)

Particulars	As at 31st March 2023	As at 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
<b>Total</b>	<b>237.85</b>	<b>304.41</b>

### Note 28 - Provisions (Current)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 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
<b>Total</b>	<b>1.73</b>	<b>29.75</b>

### Note 29 - Current Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for tax (Net of provisions)	76.44	10.18
<b>Total</b>	<b>76.44</b>	<b>10.18</b>

### Note 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
	<b>12,595.28</b>	<b>10,364.32</b>
Other Operating Revenues		
- Export Incentive received	14.50	28.61
- Other Incentive & Subsidy Received	0.40	1.03
<b>Total</b>	<b>12,610.18</b>	<b>10,393.96</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 30 - Revenue from Operations (Contd.)

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
<b>Total</b>	<b>12,595.28</b>	<b>10,364.31</b>

#### (ii) The following table provides information about receivables, contract asset and contract liabilities from contracts with customers:-

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
Receivable which are included in Trade and other receivables	604.23	376.10
Contract assets	153.93	52.38
Contract liabilities	74.13	134.85
<b>Total</b>	<b>832.30</b>	<b>563.33</b>

#### (iii) Performance 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 performance obligation of the group is satisfied upon delivery of the goods to the customers.

### Note 31 - Other Income

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
<b>Non- operating Income</b>		
<b>Recurring Income</b>		
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
<b>Total</b>	<b>112.01</b>	<b>60.01</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 32 - Cost of Materials Consumed

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
Opening stock	1,562.77	726.12
Add: Purchases	8,763.41	7,373.10
	<b>10,326.16</b>	<b>8,099.22</b>
Less: Sales	-	75.58
Less: Closing Stock	1,409.83	1,562.77
<b>Total</b>	<b>8,916.33</b>	<b>6,460.87</b>

### Note 33 - Changes in Inventories

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
<b>Opening Stock</b>		
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
	<b>420.25</b>	<b>239.37</b>
<b>Closing Stock</b>		
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
	<b>662.89</b>	<b>420.24</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(242.64)</b>	<b>(180.87)</b>

### Note 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
<b>Total</b>	<b>345.15</b>	<b>246.56</b>

### Note 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
<b>Total</b>	<b>93.13</b>	<b>23.16</b>

### Note 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
<b>Total</b>	<b>463.08</b>	<b>272.40</b>

## Significant Accounting Policies for the period ended 31st March 2023

### 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
<b>Repairs</b>		
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
<b>Total</b>	<b>1,812.89</b>	<b>1,235.12</b>

### Note 38 - Income Tax Expense

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
<b>i) Current tax</b>		
Current tax	234.59	539.46
<b>Total</b>	<b>234.59</b>	<b>539.46</b>
<b>ii) Deferred Tax</b>		
Deferred tax (Liability Reversal)	(14.56)	(8.18)
Less: MAT Credit	26.61	(108.89)
<b>Total</b>	<b>(41.17)</b>	<b>100.71</b>

### 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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 39 - Earnings per Equity Share (Contd.)

(₹ 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



## Significant Accounting Policies for the period ended 31st March 2023

### Note 41 - Commitments & Contingent Liabilities (Contd.)

#### (b) Contingent Liabilities

(₹ in Crores)

Particulars	31st March 2023	31st March 2022
<b>Claims against the group not acknowledged as debt:</b>		
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
<b>Other money for which the group is contingently liable:</b>		
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
<b>Total</b>	<b>352.91</b>	<b>410.38</b>

- (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

#### The amount recognised as an expense for the Defined Contribution Plans as under :

(₹ in Crores)

Particulars	Current	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Provident Fund	10.26	7.40
<b>Total</b>	<b>10.26</b>	<b>7.40</b>

#### 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
<b>Present value obligation as at the end of the year</b>	<b>18.68</b>	<b>13.41</b>

#### 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

## Significant Accounting Policies for the period ended 31st March 2023

### Note 42 - Employee Benefit Obligations (Contd.)

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
<b>Net Liability recognized in balance sheet</b>	<b>18.68</b>	<b>13.41</b>

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
<b>Amount recognized in the statement of profit and loss</b>	<b>4.81</b>	<b>3.30</b>

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
<b>Actuarial gain/(loss) at the end of the year</b>	<b>1.56</b>	<b>0.98</b>

Actuarial assumptions (₹ in Crores)		
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
<b>Impact of the change in discount rate</b>		
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
<b>Impact of Change in Withdrawal Rate</b>	-	-
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
<b>Impact of the change in salary increase</b>	-	-
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

## Significant Accounting Policies for the period ended 31st March 2023

### Note 42 - Employee Benefit Obligations (Contd.)

#### 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
<b>Present value obligation as at the end of the year</b>	<b>3.17</b>	<b>1.78</b>

##### 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
<b>Net asset recognized in balance sheet</b>	<b>3.17</b>	<b>1.78</b>

##### 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	-	-
<b>Amount recognized in the statement of profit and loss</b>	<b>1.00</b>	<b>0.57</b>

##### Actuarial assumptions

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 43 - Financial Instruments by Category

For amortised cost instruments, carrying value represents the best estimate of fair value.

(₹ in Crores)

Particulars	As at 31st March 2023				As at 31st March 2022			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
<b>Financial Assets</b>								
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
<b>Total</b>	<b>879.22</b>	<b>143.59</b>	<b>1,331.02</b>	<b>2,353.83</b>	<b>816.94</b>	<b>121.78</b>	<b>1,115.30</b>	<b>2,054.02</b>
<b>Financial Liabilities</b>								
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
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,029.70</b>	<b>3,029.70</b>	<b>-</b>	<b>-</b>	<b>1,949.72</b>	<b>1,949.72</b>

#### (a) Fair value hierarchy

##### Financial assets and liabilities measured at fair value - recurring fair value measurement

(₹ in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Financial Assets</b>		
<b>Financial investments at FVOCI</b>		
Unquoted equity instruments	143.59	121.78
<b>Financial investments at FVTPL</b>		
Mutual Fund	415.74	507.30
<b>Total</b>	<b>559.33</b>	<b>629.08</b>

##### Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed

(₹ in Crores)

Particulars	As at 31st March 2023			As at 31st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
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	-
<b>Total</b>	<b>415.74</b>	<b>1,045.68</b>	<b>-</b>	<b>507.30</b>	<b>527.06</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	1,151.78	-	-	533.67
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,151.78</b>	<b>-</b>	<b>-</b>	<b>533.67</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 43 - Financial Instruments by Category (Contd.)

**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	As at 31st March 2023		As at 31st March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
<b>Carried at FVOCI</b>				
Investments in equity instruments	143.59	143.59	121.78	121.78
<b>Carried at amortised cost</b>				
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
<b>Total</b>	<b>2,353.83</b>	<b>2,353.83</b>	<b>2,054.02</b>	<b>2,054.02</b>

(₹ in Crores)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Liabilities</b>				
<b>Carried at amortised cost</b>				
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
<b>Total</b>	<b>3,029.70</b>	<b>3,029.70</b>	<b>1,949.72</b>	<b>1,949.72</b>

## Significant Accounting Policies for the period ended 31st March 2023

### Note 43 - Financial Instruments by Category (Contd.)

#### (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.

(₹ in Crores)

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

## Significant Accounting Policies for the period ended 31st March 2023

### Note 44 - Financial risk management objectives and policies (Contd.)

#### b) Foreign currency risks

The group's functional currency is Indian Rupees (₹). 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 ₹	Value In Foreign Currency	Value In ₹
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 before tax	
	31st March 2023	31st March 2022
<b>USD Sensitivity</b>		
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 before tax	
	31st March 2023	31st March 2022
<b>EURO Sensitivity</b>		
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

## Significant Accounting Policies for the period ended 31st March 2023

### Note 44 - Financial risk management objectives and policies (Contd.)

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	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
<b>Period ended 31st March 2023</b>					
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 liabilities	269.63	-	-	-	269.63
Contractual maturities of trade payables	<b>1,486.59</b>	<b>19.35</b>	<b>19.22</b>	-	<b>1,525.16</b>

Particulars	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
<b>Period ended 31st March 2022</b>					
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 liabilities	212.73	-	-	-	212.73
Contractual maturities of trade payables	751.12	10.36	10.30	-	771.79



## Significant Accounting Policies for the period ended 31st March 2023

### 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
<b>Opening balance</b>	66.01	42.69
<b>Addition during the year</b>		
Leasehold Land	13.57	24.01
Leasehold Building	-	0.74
<b>Depreciation Expense</b>		
Leasehold Land	2.33	0.46
Leasehold Building	0.88	0.97
<b>Closing balance</b>	<b>76.37</b>	<b>66.01</b>

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
<b>As at 1st April 2022</b>	<b>9.38</b>	<b>6.59</b>
Addition during the year	<b>0.20</b>	<b>3.48</b>
Add: Finance Cost	0.38	0.40
Less: Rent	1.25	1.09
<b>As at 31st March 2023</b>	<b>8.72</b>	<b>9.38</b>

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
<b>Subsidiary Company</b>	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)
<b>Step-down Subsidiary Company</b>	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	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)

## Significant Accounting Policies for the period ended 31st March 2023

### Note 46 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Particulars	31st March 2023	31st March 2022
	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)	
<b>Associates</b>	Meghana Vyapar Private Limited	Meghana Vyapar Private Limited
	Kolhan Complex Private Limited	Kecons Tradecare Private Limited (upto 09/09/2021) Kolhan Complex Private Limited
<b>Joint Venture</b>	Mjsj Coal Limited	Mjsj Coal Limited
	Kalinga Energy Private Limited	Kalinga Energy Private Limited
<b>Enterprises over which Key Management Personnel (KMP) are able to exercise control / significant influence with whom there were transactions/ balance during the year:</b>	Platinum Minmet Private Limited	Platinum Minmet Private Limited
	Dorite Tracon Private Limited	Dorite Tracon Private Limited
	Shyam Solar Appliance Private Limited	Shyam Solar Appliance Private Limited
	Narantak Dealcomm Limited	Narantak Dealcomm Limited
	Shyam Ferro Alloys Limited	Shyam Ferro Alloys Limited
	Swarnrekha Abasan Private Limited	Swarnrekha Abasan Private Limited
	Shyam Emco Infrastructure Limited	Shyam Emco Infrastructure Limited
	Sunglow Complex Private Limited	Sunglow Complex Private Limited
	Subham Capital Private Limited	Subham Capital Private Limited
	Brij Bhusan Agarwal & Sons Huf	Brij Bhusan Agarwal & Sons Huf
	Toplight Mercantiles Private Limited	Toplight Mercantiles Private Limited
	Sygma Tubes and Pipes Private Limited	Sygma Tubes and Pipes Private Limited (w.e.f. 05/10/2021)
	Kalpataru Housefin & Trading Private Limited	Kalpataru Housefin & Trading Private Limited
	Subham Capital Private Limited	Subham Capital Private Limited
	Subhlabh Commercials Private Limited	Subhlabh Commercials Private Limited
	Britasia Hydro Power Private Limited	Britasia Hydro Power Private Limited
	Essel Plywood Private Limited	Essel Plywood Private Limited
	Shyam Century Multiprojects Private Limited	Shyam Century Multiprojects Private Limited
	Shyam Greenfield Developers Private Limited	Shyam Greenfield Developers Private Limited
	Sindbad Hydro Power Limited	Sindbad Hydro Power Limited
	S.S. Natural Resources Private Limited	S.S. Natural Resources Private Limited
	Improved Realtors Private Limited	Improved Realtors Private Limited
	Elysian Beautification Private Limited	Elysian Beautification Private Limited
<b>Key Management Personnel:</b>	Mr. Brij Bhushan Agarwal (Managing Director and Vice Chairman)	Mr. Brij Bhushan Agarwal (Managing Director and Vice Chairman)
	Mr. Sanjay Kumar Agarwal (Joint Managing Director)	Mr. Sanjay Kumar Agarwal (Joint Managing Director)
	Mr. Bhagwan Shaw (Wholetime Director) (upto 08/11/2022)	Mr. Bhagwan Shaw (Wholetime Director)
	Mr. Dev Kumar Tiwari (Director)	Mr. Dev Kumar Tiwari (Wholetime Director)

## Significant Accounting Policies for the period ended 31st March 2023

### Note 46 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Particulars	31st March 2023	31st March 2022
	Mr. Deepak Kumar Agarwal (Whole Time Director) (Appointed as CFO w.e.f. 05.05.2023)	Mr. Deepak Kumar Agarwal (Whole Time Director)
	Mr. Birendra Kumar Jain(Company Secretary)	Mr. Birendra Kumar Jain(Company Secretary)
	Mr. Shree Kumar Dujari (Chief Financial Officer) (upto 08/11/2022)	Mr. Shree Kumar Dujari (Chief Financial Officer)
	Mr. Mahabir Prasad Agarwal (Non Executive Director and Chairman)	Mr. Mahabir Prasad Agarwal (Non Executive Director and Chairman)
	Mr. Bajrang Lal Agarwal (Director SSPL)	Mr. Bajrang Lal Agarwal (Director SSPL)
	Mr. Venkata Krishna Nageswara Rao Majji (Independent Director) (upto 14/02/2023)	Mr. Venkata Krishna Nageswara Rao Majji (Independent Director)
	Mr. Ashok Kumar Jaiswal (Independent Director)	Mr. Ashok Kumar Jaiswal (Independent Director)
	Mr. Yudhvir Singh Jain (Independent Director)	Mr. Yudhvir Singh Jain (Independent Director)
	Mr. Kishan Gopal Baldwa (Independent Director)	Mr. Kishan Gopal Baldwa (Independent Director)
	Mr. Ajay Choudhury (Independent Director) (upto 14/02/2023)	Mr. Ajay Choudhury (Independent Director) (upto 14/02/2023)
	Mr. Susmit Changia ( CFO of SSPL)	Mr. Susmit Changia ( CFO of SSPL)
	Mrs. Rajni Mishra (Independent Director)	Mrs. Rajni Mishra (Independent Director)
	Mrs. Kiran Vimal Agarwal (Non Executive Director)	Mrs. Kiran Vimal Agarwal (Non Executive Director)
	Mr. Rahul Gadodia (Whole Time Director) (w.e.f. 30/04/2022)	Mr. Bikram Munka (Whole Time Director)
	Mr. Sumit Chakraborty (Whole Time Director) (w.e.f. 30/04/2022)	Mr. Raj Prakash Verma (Company Secretary of SSPL)
	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)	
<b>Relatives to Key Management Personnel:</b>	Relative's Name - Relation	Relative's Name - Relation
	Mrs. Sumitra Devi Agarwal- Wife Of Mr. Mahabir Prasad Agarwal	Mrs. Sumitra Devi Agarwal- Wife Of Mr. Mahabir Prasad Agarwal
	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 Bhushan Agarwal	Mrs. Sangeeta Agarwal - Sister Of Mr. Brij Bhushan Agarwal
	Mrs. Anita Jhunjhunwala - Daughter Of Mr. Mahabir Prasad Agarwal	Mrs. Anita Jhunjhunwala - Daughter Of Mr. Mahabir Prasad Agarwal
	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

## Significant Accounting Policies for the period ended 31st March 2023

### Note 46 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Particulars	31st March 2023	31st March 2022
Mr. Shubham Agarwal - Son Of Mr. Brij Bhushan Agarwal	Mr. Shubham Agarwal - Son Of Mr. Brij Bhushan Agarwal	Mr. Shubham Agarwal - Son Of Mr. Brij Bhushan Agarwal
Mrs. Vandana Dujari - Wife of Mr. Shree Kumar Dujari	Mrs. Vandana Dujari - Wife of Mr. Shree Kumar Dujari	Mrs. Vandana Dujari - Wife of Mr. Shree Kumar Dujari
Mr. Bajrang Lal Agarwal - Father Of Mr. Sanjay Kumar 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 Agarwal	Mr. Mahabir Prasad Agarwal - Father Of Mr. Brij Bhushan Agarwal
Mr. Divyansh Agarwal - Son of Mr. Sanjay Agarwal	Mr. Divyansh Agarwal - Son of Mr. Sanjay Agarwal	Mr. Divyansh Agarwal - Son of Mr. Sanjay Agarwal
Mr. Sheetij Agarwal - Son Of Mr. Brij Bhushan Agarwal	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 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.

Type of Transactions	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
<b>1. Sale of Goods</b>						
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	-
Syigma Tubes & Pipes Pvt. Ltd.	-	-	0.15	-	0.15	-
Shyam Ferro Alloys Limited	-	-	2.56	5.38	2.56	5.38
<b>2. Purchase of Licence</b>						
Shree Venkateswara Electrocast Private Limited	0.01	-	-	-	0.01	-
<b>3. Office Maintenance (Expense)</b>						
Improved Realtors Private Limited	-	-	0.03	0.04	0.03	0.04
<b>4. Purchase of Goods</b>						
Shyam Ferro Alloys Limited	-	-	9.45	2.05	9.45	2.05
Platinum Minmet Private Limited	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
<b>5. Dividend Received</b>						
Shyam Sel and Power Limited	-	61.78	-	-	-	61.78
<b>6. Dividend Paid</b>						
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 Bhushan Agarwal & Sons HUF	-	-	1.01	1.62	1.01	1.62
Subham Buildwell Private Limited	-	-	31.74	50.79	31.74	50.79

## Significant Accounting Policies for the period ended 31st March 2023

### Note 46 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Type of Transactions	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
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
<b>7. Rent Received (Net of TDS)</b>						
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
<b>8. Rent Paid (Net of TDS)</b>						
Toplight Mercantile Private Limited	-	-	0.07	0.06	0.07	0.06
Improved Realtors Private Limited	-	-	0.02	0.02	0.02	0.02
Hrshva Storage and Warehousing Private Limited	0.01	0.03	-	-	0.01	0.03
<b>9. Transactions with KMP</b>						
Salaries and other benefits to directors and executive officers	-	-	9.36	8.23	9.36	8.23
Advances to Directors	-	-	-	0.90	-	0.90
<b>10. Sitting fees paid to independent directors</b>						
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
<b>11. Purchase of Investments</b>						
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
<b>12. Sale of Investments</b>						
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
<b>13. Loans and Advances Given/Refunded</b>						
Shyam Sel and Power Limited	1,660.72	662.88	-	-	1,660.72	662.88
Hrshva 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

## Significant Accounting Policies for the period ended 31st March 2023

### Note 46 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Type of Transactions	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
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 Metals Flat Products Private Limited	17.59	-	-	-	17.59	-
Nirjhar commodities Private Limited	0.34	-	-	-	0.34	-
Shyam Metals 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
<b>14. Loans and advances Received back/taken</b>						
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
Syigma Tubes and Pipes Private Limited	-	-	3.22	-	3.22	-
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
<b>15. Interest on Loan Given</b>						
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	-
<b>16. Interest on Loan Taken</b>						
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	-
<b>17. Balances outstanding on account of Receivables/(Payable)</b>						
Dorite Tracon Private Limited	-	-	-	(0.67)	-	(0.67)

## Significant Accounting Policies for the period ended 31st March 2023

### Note 46 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures) (Contd.)

Type of Transactions	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
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	-	-	-	-	-
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	-
Syigma 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 ₹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	As at	As at
	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	<b>2,070.75</b>	<b>950.04</b>
Equity	255.08	255.08
Other Equity	6,907.37	5,579.59
	<b>7,162.45</b>	<b>5,834.67</b>
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.

## Significant Accounting Policies for the period ended 31st March 2023

### Note 48 - Additional Information

#### i) Expenditure in Foreign Currency (on accrual basis)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 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)

(₹ in Crores)

Particulars	As at 31st March 2023	As at 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 34.944% and the reported tax expense in profit or loss are as follows :-

#### Effective Tax Reconciliation

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Accounting profit before income tax</b>	<b>1,041.83</b>	<b>2,364.33</b>
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
<b>Income Tax recognised in Profit and Loss account</b>	<b>193.42</b>	<b>640.17</b>

### Note 50 - effective tax reconciliation

(₹ in Crores)

Particulars	As at 31st March 2023	As at 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 Metals 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

- 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.
- 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.
- 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.
- 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.



## Significant Accounting Policies for the period ended 31st March 2023

### Note 53

The Company has completed the acquisition process of Ramsarup Industries Limited through its subsidiary, SS Natural Resources Private Limited, pursuant to the order of Supreme Court's vide its order dated 12th May 2022. As per this order, the management and control of Ramsarup Industries Ltd have been transferred to the Company. The Company has started consolidating the accounts of Ramsarup Industries Ltd's 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 company.

### 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.

## Significant Accounting Policies for the period ended 31st March 2023

**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
<b>Subsidiary</b>			
Shyam Sel & Power Limited	India	100.00%	100.00%
<b>Step Down Subsidiary</b>			
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 Metals Flat Product Private Limited	India	100.00%	0.00%
Shyam Metals 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%
<b>Associate</b>			
Meghana Vyapaar Private Limited	India	33.51%	33.51%
Kolhan Complex Private Limited	India	41.28%	41.28%
<b>Joint Venture</b>			
MJSJ Coal Limited	India	9.00%	9.00%
Kalinga Energy & Power Ltd.	India	50.00%	50.00%

# Significant Accounting Policies

for the period ended 31st March 2023

## 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	As % of Consolidated	As % of Consolidated	Income
	As % of Consolidated Net Assets	(Amount in ₹ Crores)	As % of Consolidated Profit & Loss	(Amount in ₹ Crores)	Other Comprehensive Income	Total Comprehensive Income	(Amount in ₹ Crores)
<b>Parent</b>							
Shyam Metals and Energy Limited	51.02%	3,851.04	35.25%	299.04	108.08%	36.54%	315.64
<b>Subsidiaries</b>							
Shyam Sel & power Limited	49.08%	3,704.85	70.71%	599.88	-8%	69.31%	598.64
<b>Step down subsidiaries</b>							
Whispering Developers Private Limited	0.00%	0.05	0.00%	(0.01)	0.00%	0.00%	(0.01)
Platinum Minmet Pvt Ltd	-0.01%	(0.77)	-0.19%	(1.61)	0.00%	-0.19%	(1.61)
Taurus Estates Private Limited	0.00%	0.26	0.00%	(0.00)	0.00%	0.00%	(0.00)
Shyam Energy Limited	0.25%	18.99	-0.01%	(0.05)	0.00%	-0.01%	(0.05)
Shree Venkateshwara Electrocast Private Limited	-0.05%	(3.68)	0.19%	1.59	0.00%	0.18%	1.59
Meadow Housing Private Limited	0.01%	0.46	0.00%	(0.00)	0.00%	0.00%	(0.00)
Ramsarup Industrals Limited	12.07%	911.24	-2.99%	(25.39)	0.00%	-2.94%	(25.39)
Shyam Metals Flat Products Private Limited	0.00%	0.01	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%	-0.18%	(1.54)
Shyam Metals International DMCC	0.01%	0.85	-0.02%	(0.16)	0.00%	-0.02%	(0.16)
Harshva Storage And Warehousing Private Limited	0.05%	3.56	0.08%	0.69	0.00%	0.08%	0.69
Shree Sikhar Iron & Steel Private Limited	0.05%	3.91	0.00%	(0.03)	0.00%	0.00%	(0.03)
Nirjhar Commodities Private Limited	-0.01%	(0.45)	-0.04%	(0.35)	0.00%	-0.04%	(0.35)
<b>Non controlling interest in all Subsidiaries</b>	5.11%	385.62	0.00%	-	0.00%	0.00%	-
<b>Associates</b>							
Meghana Vyapar Private Limited	0.25%	18.60	0.05%	0.41	0.00%	0.05%	0.41
Kolhan Complex Private Limited	0.00%	-	0.00%	-	0.00%	0.00%	-
<b>Joint Venture</b>							
Kalinga Energy & power Limited	-0.01%	(0.79)	0.00%	(0.01)	0.00%	0.00%	(0.01)
<b>Adjustments due to consolidation</b>	-17.69%	(1,334.93)	-2.84%	(24.06)	0.00%	-2.79%	(24.06)
<b>TOTAL</b>	<b>100%</b>	<b>7,548.07</b>	<b>100%</b>	<b>848.41</b>	<b>100%</b>	<b>15.36</b>	<b>863.76</b>

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 011 25056

**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





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