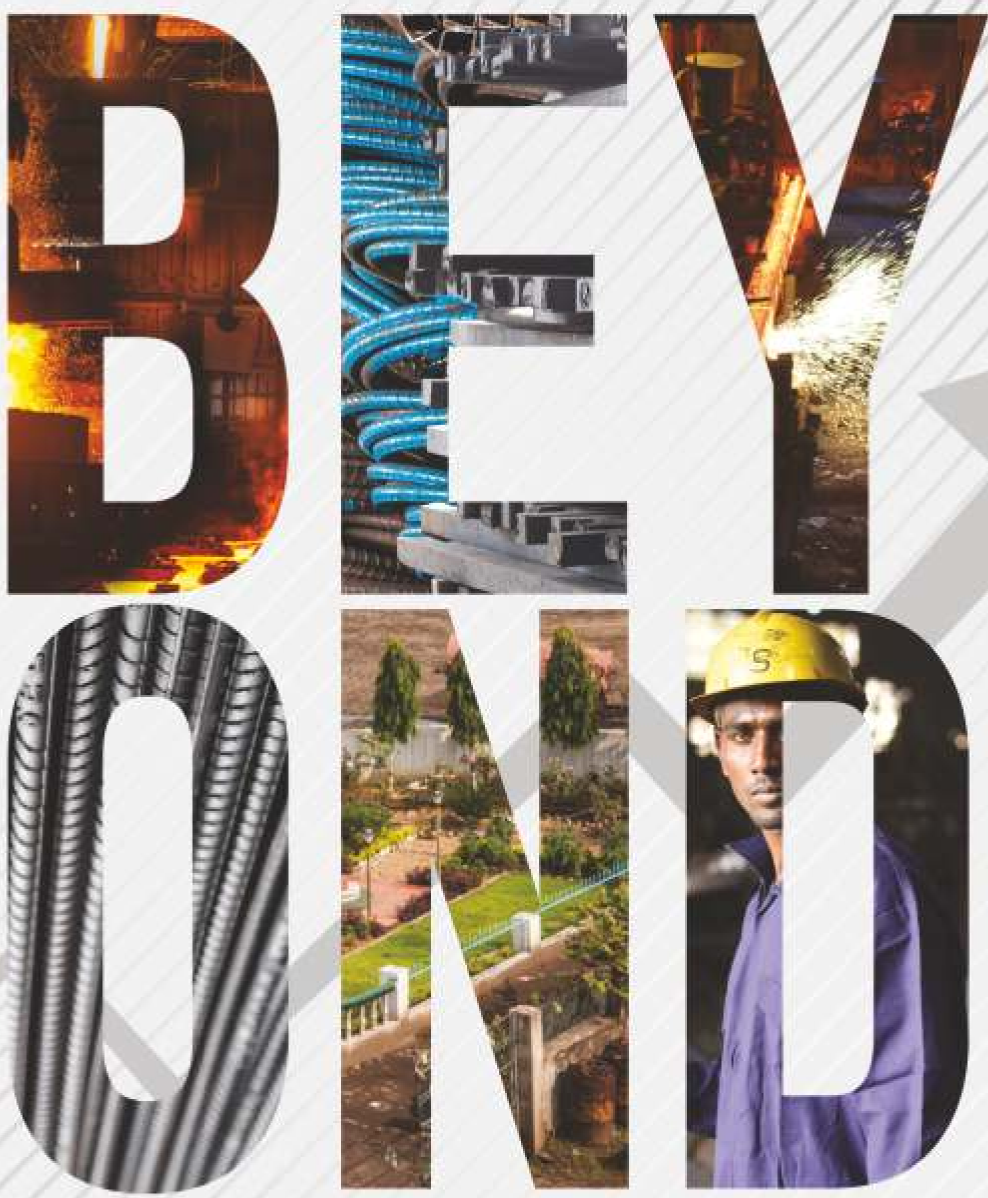


STEEL

The toughest steel... passes through the hottest fire.

SHYAM METALICS
ORE TO METAL

Shyam Metalics and Energy Limited
Annual Report 2017-18

Navigating beyond cover and inner pages

Shyam Metalics and Energy Limited regarded as a perfect proxy of India's infrastructure sector, continues to perform consistently and beat the best through a perfect interplay of trust and strong customer relationship, flexible business model, diverse manufacturing capability, commitment to reach new levels of performance and seeding the perfect talent.

The contents of this annual report explain well the management's rationale and how it is optimistic of taking the Company into a higher league over the foreseeable future.

Approach

The Annual Report 2017-18 is aimed at meeting the information requirements of all our stakeholders to help them make informed decisions regarding Shyam Metalics and Energy Limited. It informs all our stakeholders, including shareholders, customers, suppliers, employees, contractors, competitors, press, analysts, Government and others, about the Company's value creation process. It represents relevant information on the Company's performance, in a balanced and concise manner.

STANDARDS AND FRAMEWORK

Through this Report, we have attempted to enhance our disclosures and have created the content elements in the non-statutory section of the Report, following some of the guiding principles of the International Integrated Reporting Council (IIRC) recommended International Integrated Reporting <IR> Framework. The other statutory reports, including the Director's Report and it's Annexures are as per the Companies Act, 2013 (including the rules thereunder) and the Secretarial Standards issued by the Institute of Company Secretaries of India.

For more information log on to
www.shyamgroup.com

Corporate Information

CHAIRMAN
Mr. Mahavir Prasad Agarwal

MANAGING DIRECTOR
Mr. Brij Bhushan Agarwal

JOINT MANAGING DIRECTOR
Mr. Sanjay Kumar Agarwal

WHOLE-TIME DIRECTOR
Mr. Dev Kumar Tiwari
Mr. Deepak Kumar Agarwal
Mr Bhagwan Shaw

NON-EXECUTIVE DIRECTOR
Mr. Bajrang Lal Agarwal
Mrs. Kiran Vimal Agrawal

INDEPENDENT DIRECTOR
Mr. Ashok Kumar Jaiswal
Mr. Yudhvir Singh Jain
Mr. Kishan Gopal Baldwa
Mrs. Rupanjana De
Mr Venkat Krishna Nageshwara Rao Majji
Mr. Ajay Choudhury

COMPANY SECRETARY
Mr. Birendra Kumar Jain

STATUTORY AUDITOR
M/s. S. K. Agrawal & Co.
Chartered Accountants
The Chambers,
Opp Gitanjali Stadium
1865, Rajdanga Main Road
Kasba, Kolkata - 700 107

INTERNAL AUDITOR
M/s. S. K. Patodi & Co.
Chartered Accountants
8/1B, Chowringhe Lane, 4th Floor
Kolkata -700 016

COST AUDITOR
M/s Abhimanyu Nayak & Associatess
Cost Accountants
102, Banerjee Para Road
Kolkata - 700 041

REGISTRAR & TRANSFER AGENT
M/s. ABS Consultants Pvt. Ltd.
99, Stephen House, 6th Floor
4, B. B. D. Bag (East)
Kolkata - 700 001
Ph. : +91 33 2230 1043/0153
E-mail : absconsultant@vsnl.net

BANKERS
Oriental Bank of Commerce
State Bank of India
Corporation Bank
Canara Bank
Axis Bank Limited
Union Bank of India
Allahabad Bank
The South Indian Bank Limited
ICICI Bank Limited
HDFC Bank Limited
Dena Bank

REGISTERED OFFICE
"Trinity Tower"
83, Topsia Road, 7th Floor
Kolkata - 700 046
Phone : +91 33 4016 4001

CORPORATE OFFICE
"Viswakarma"
86C, Topsia Road, 1st Floor
Kolkata - 700 046
Phone : +91 33 4011 3000

PLANT LOCATION
Village : Pandloi, PO : Lapanga
District : Sambalpur
Pin - 768 212 (Odisha)

E-MAIL
cs@shyamgroup.com

WEBSITE
www.shyamgroup.com

Shyam Metalics and Energy Limited is a young and growing iron and steel conglomerate.

We have been steadily investing in processes and capacity expansion across market cycles. The result today is with stable operations and with one of the most competitive operating structures alongwith healthy margins.

A Company having stable relationship with employees, customers and society, we still believed that the best is yet to come. And that's why we continue to challenge our ownselves to perform better.

Pedigree

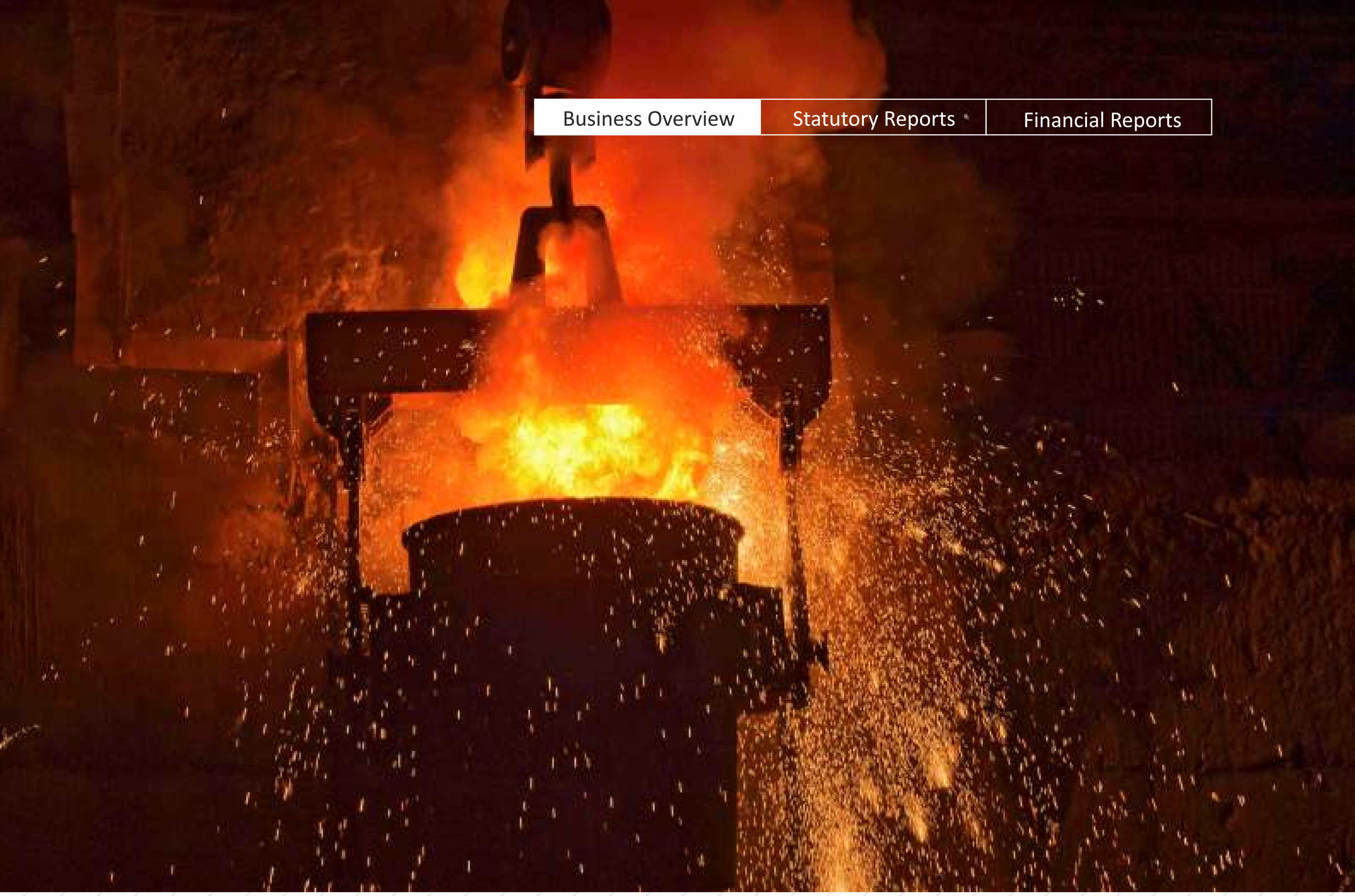
Incorporation of the “Shyam Group” dates back to 1981 when it started to trade in Iron and Steel Products. During 2002-2006 Shyam Metalics and Energy Limited (originally incorporated as Shyam DRI Power Limited) expanded with a manufacturing facility in the state of Odisha. The group is founded by first generation entrepreneurs Mr. Mahabir Prasad Agarwal and Mr. Bajrang Lal Agarwal.

Leadership

The Company is promoted by second generation promoters Mr. Brij Bhushan Agarwal and Mr. Sanjay Kumar Agarwal with qualified and experienced personnel. The Company ranks amongst one of the leading and integrated manufacturers of iron and steel products. The Company had been accelerating growth not only through new customers, but also through the continued support of its existing loyal customers.

Location

Headquartered at Kolkata and manufacturing locations situated at Sambalpur in Odisha and Jamuria & Mangalpur in West Bengal.



Accreditations

The Company follows a quality-first strategy; and our quality eco-system is validated through various accreditations which includes ISO 9001:2015, ISO 14001:2015 and ISO OHSAS 18001:2007. The manufacturing plant of Sambalpur is also certified through "Rites" and the TMT manufactured at Sambalpur plant is certified and authorised by "Thermax".

Vision

Founded with the vision of providing strength to infrastructure & construction industry, Shyam Metalics and Energy Limited through an integrated system of tools, techniques and training constantly thrives 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.

Robust business model

Values

Adapting to change

To form partnerships and networks with customers, government, suppliers and others in order to make a sustainable difference. Adapting to change is about actively engaging with different stakeholders to reinvent itself and help the Company re-establish itself in the competitive iron & steel market.

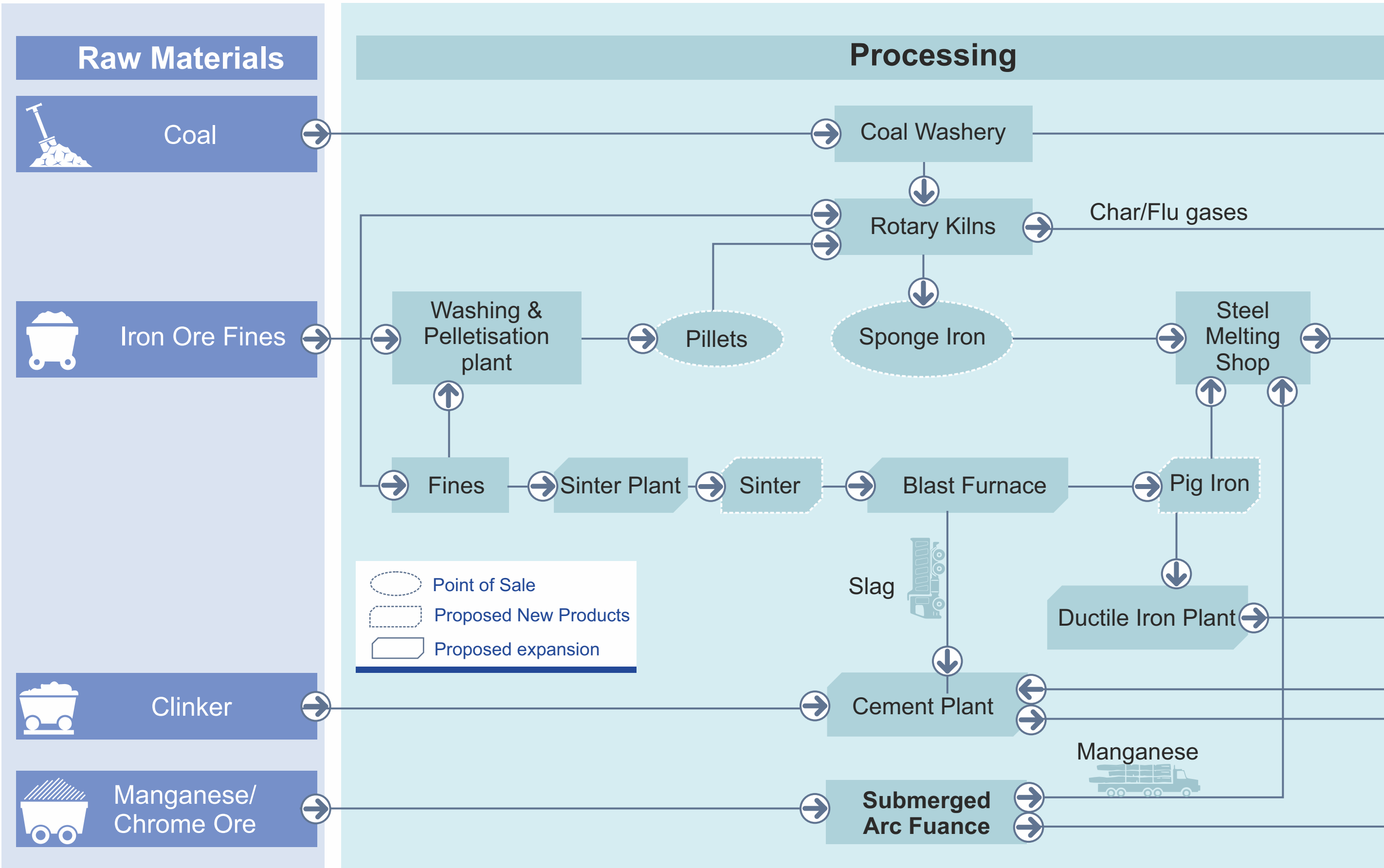
Focus on opportunities

We prioritize the customers, markets and activities that hold the biggest opportunities for creating impact. Given our company's broad portfolio of products, it is critical that we hone our ability to focus on key priorities and maximize value.

Grow our people

We want to enable our employees to develop their professional and leadership skills. This will include more effective development programs, customized to the needs of specific parts of the organization. This helps both our people and organization to evolve into better entities.

Value chain



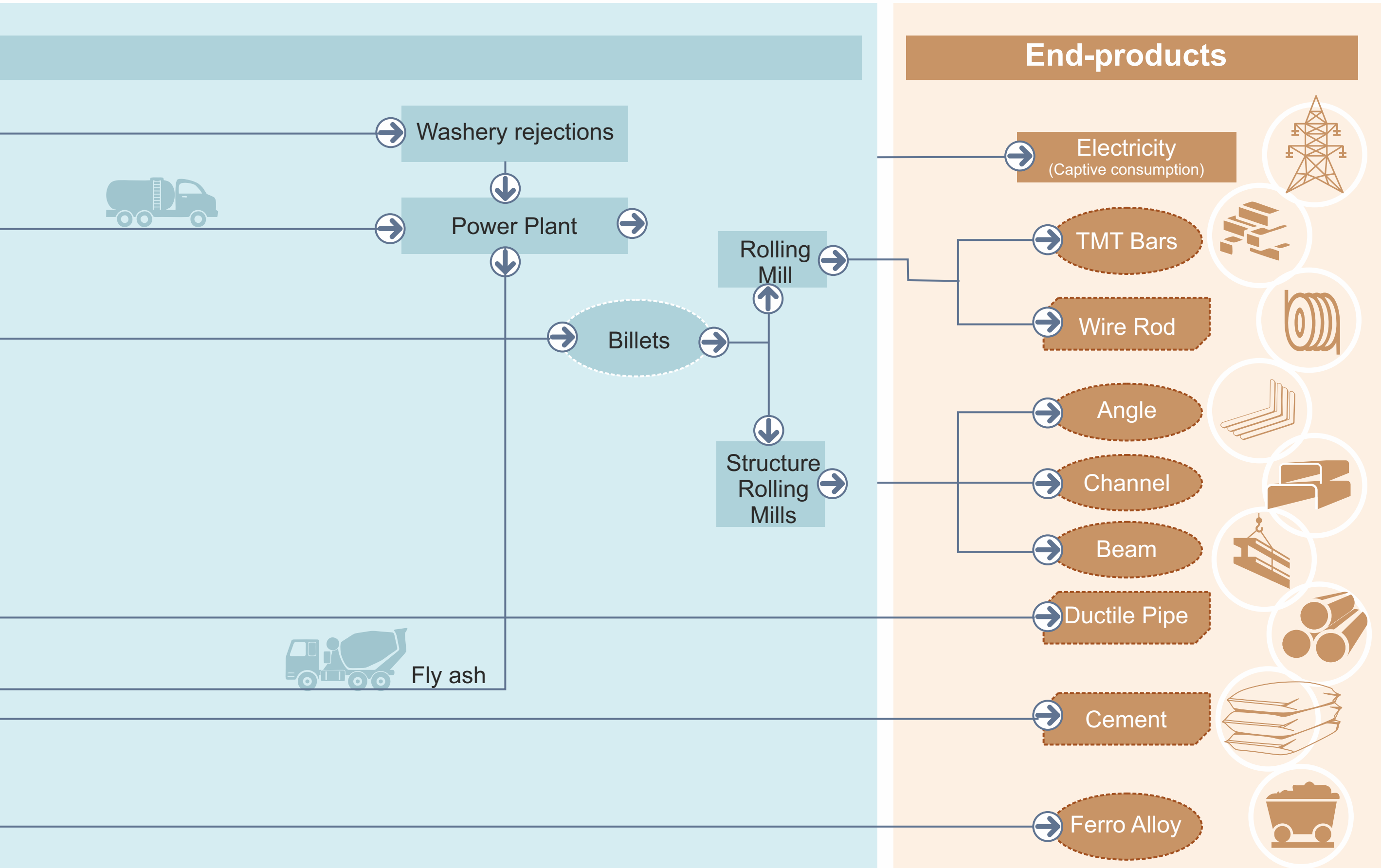
Our outcomes

- Strong raw material procurement policy
- Employee engagement and culture of innovation
- Economies of scale and operational efficiencies
- Customer-oriented approach
- Focus on diversified and value-added products
- Technology upgradation and continuous process improvement
- Integrated business model
- Financial strength and sustainability
- Consistently strong credit rating

Our product output during FY 2017-2018 (MT)

Iron Pellets	Sponge iron	Billets
9,38,196	**9,15,381**	**4,31,747**

Structural and TMT Bar	Ferro Alloy Product
1,90,494	**1,71,537**



Creating a legacy –

From the hottest fire to the toughest steel

1981

Group started its journey by trading in iron and steel products.

1991

Commenced manufacturing of steel at Shyam Sel and Power Limited (SSPL) (A subsidiary company)

1997-2001

SSPL starts new unit in Raniganj, West Bengal along with Captive Power plant.

2002-2006

Expansion in the state of Odisha through Shyam DRI and Power Limited (erstwhile name of Shyam Metalics and Power Limited).

SSPL begins commercial production at Mangalpur Plant.

2013

Backward and Forward Integration undertaken at the Sambalpur and the Jamuria (Subsidiary) works which included Iron Pellet Plant, Sponge Iron Plant and Billets Plant.

2014

Further commencement of various backward and forward integration works at the Sambalpur and the Jamuria (Subsidiary) Plants including the expansion of the Ferro Alloy and Sponge Iron production capacity. The subsidiary works expanded to establish a Captive Railway Siding.

2015

Sambalpur and Jamuria (subsidiary) works undertakes and operationalizes another rounds of integration by commissioning and expanding the Captive Power generation and expanding the production capacities of the Sponge Iron, Billets and the Ferro Alloy division.

2016

The group further undertakes the expansion and integration at the Sambalpur and the Jamuria (subsidiary) works through capacity expansion of the Billets and the Pelletisation Plants.

The group also renews its ISO 14001:2015 and ISO 9001:2005 certifications for its Sambalpur and the Jamuria (subsidiary) works.

2017

Sambalpur plant takes another round of integration through capacity expansion of the Sponge Iron and the Billet Plants division.

The group also renews its OHSAS 18001:2007 for Occupational Health and Safety Management certifications for its Sambalpur and the Jamuria (subsidiary) works.

2018

Combined capacity of the Sambalpur and the Jamuria (subsidiary) works reaches 3 MPTA.

Consolidated Turnover of the Company achieves a new Milestone of ₹3923.75 Crores during the end of FY 2017-18.

Receives the Best Employer Award in the State of West Bengal.

Subsidiary Jamuria Unit is conferred with the Certificate of Excellence in the Large Scale Category of Energy Conservation Awards by the CII (Eastern region).

Beyond steel

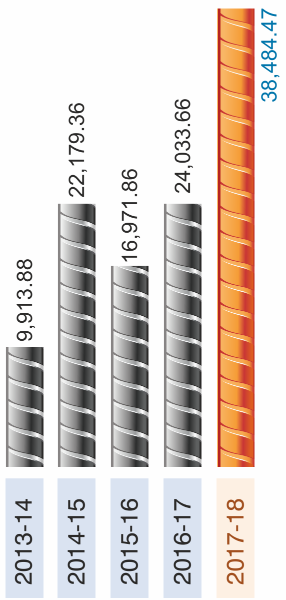
Optimism driven by pursing consistent growth, stability and cost competitiveness

We are scaling our business to greater heights through consistent growth. Stability is one of the most important ingredients of our corporate well-being. We must be a stable organisation that is willing to learn, create new ideas and adapt to new environment.

The Financial information presented by us is in accordance with the Accounting Standards (AS). Our reporting currency is Indian Rupees (₹).The current fiscal has been excellent in terms of volume ramp-ups, financial performance, enhanced operational efficiencies and improved iron & steel prices. Our company continues to maintain its cost competitiveness and sustainable growth and profitability.

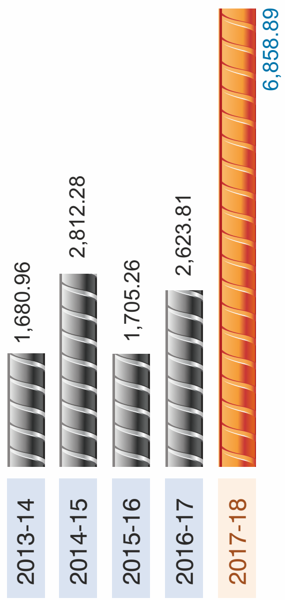
Net Sales

(₹ in million)



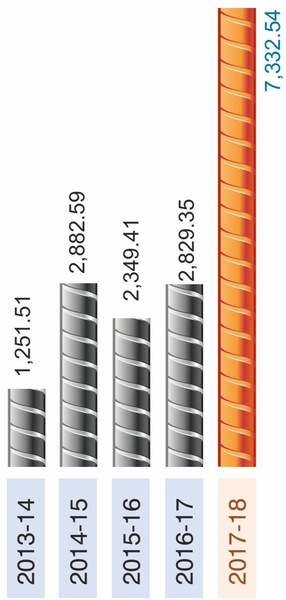
EBIDTA

(₹ in million)



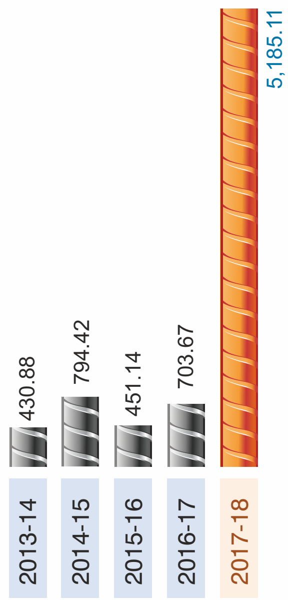
Cash profit

(₹ in million)



PAT

(₹ in million)

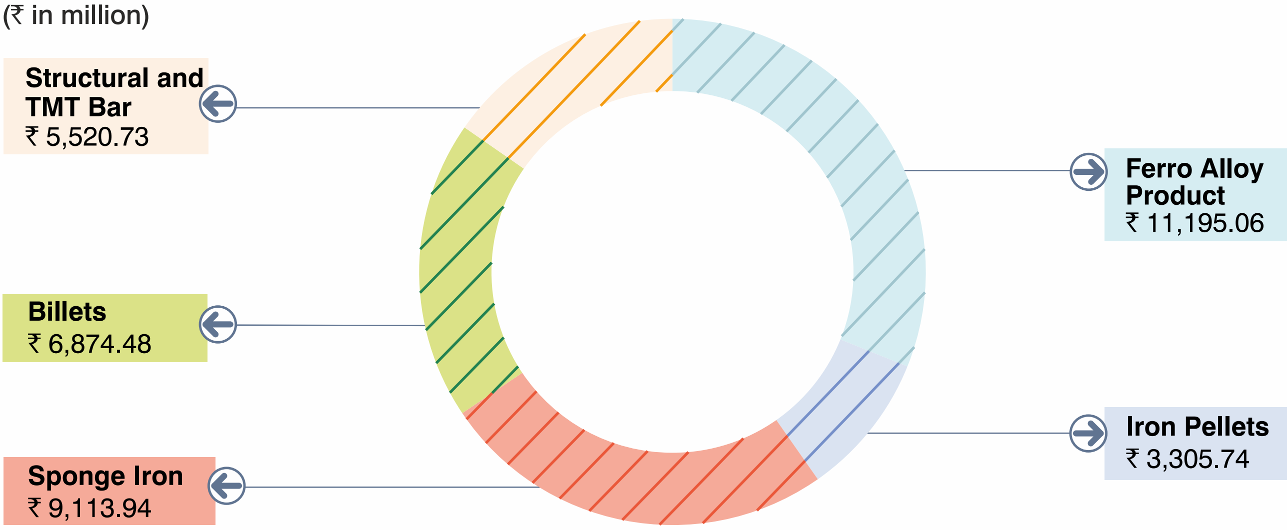


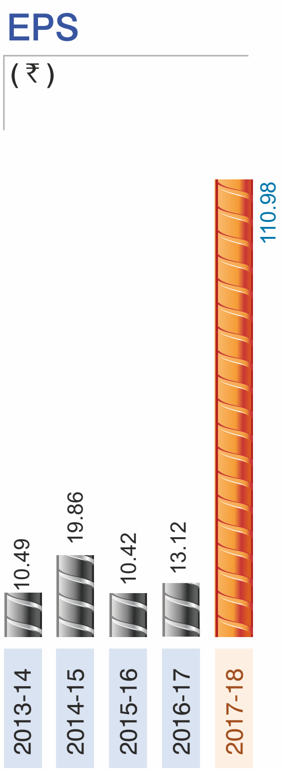
Note: There were no consolidated financials for FY 2013-14.

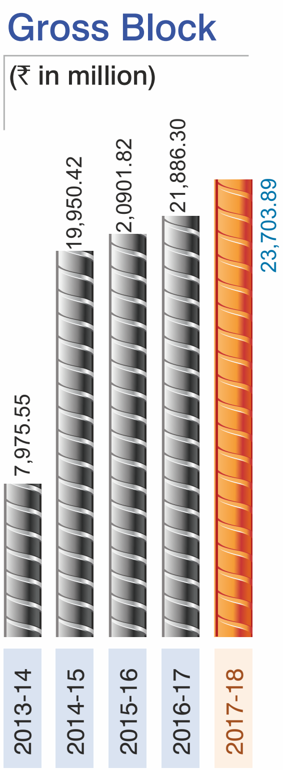
**Nothing was mentioned that above figures are consolidated.*

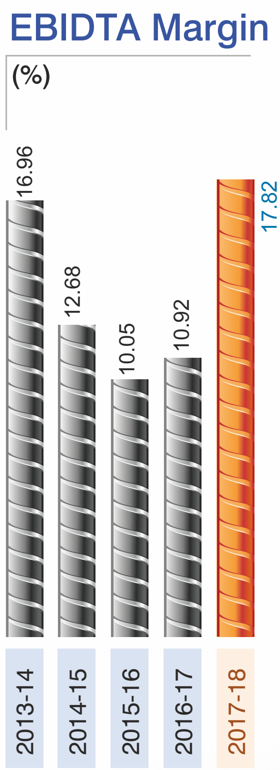
Major Consolidated Productwise Turnover

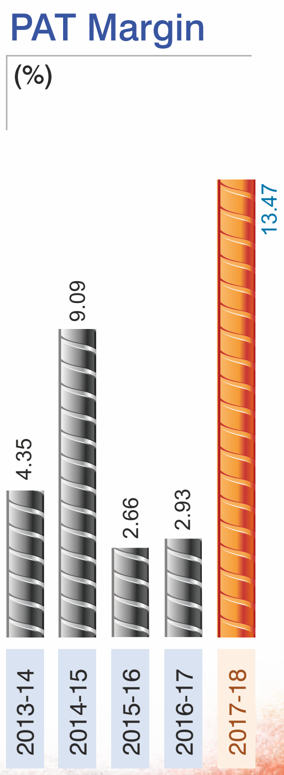
(₹ in million)











Beyond steel

Optimism driven by Nurturing Talent

In a world where everything else is equal, human effort makes all the difference. We place immense value on our workforce and consider it our biggest, most valuable asset. At Shyam Metalics we have a culture of empowerment that values and respects individual potential and helps each one achieve it to the fullest. Our people own their jobs and not just perform them. We continuously strive to improve quality of work-life for total job satisfaction and social harmony for the employees.

Creating management bandwidth

As the organisation grows in size and scale, it becomes important to have a strong corporate set-up and wide management bandwidth to address its growing needs. With this objective, we have identified key markets and positions, besides initiating role definition and talent acquisition to enable the Company to handle its operations effectively.

Targeting higher productivity

At Shyam Metalics, we focus on promoting productivity by infusing our people with a common cultural ethos and values along with professional excellence to boost work efficiencies and enable the organisation to achieve bigger goals.

Grooming fresh talent

We are cognizant of the need to recruit and groom fresh talent and create new avenues for them to take on responsible positions in the future. We provide them with opportunities to shadow key people within the organisation, which enables them to get huge exposure within a short span of time, after which they are encouraged to take on bigger roles.

No. of employees (including contractual manpower)
7,636

No. of employees hired on contractual basis
3450

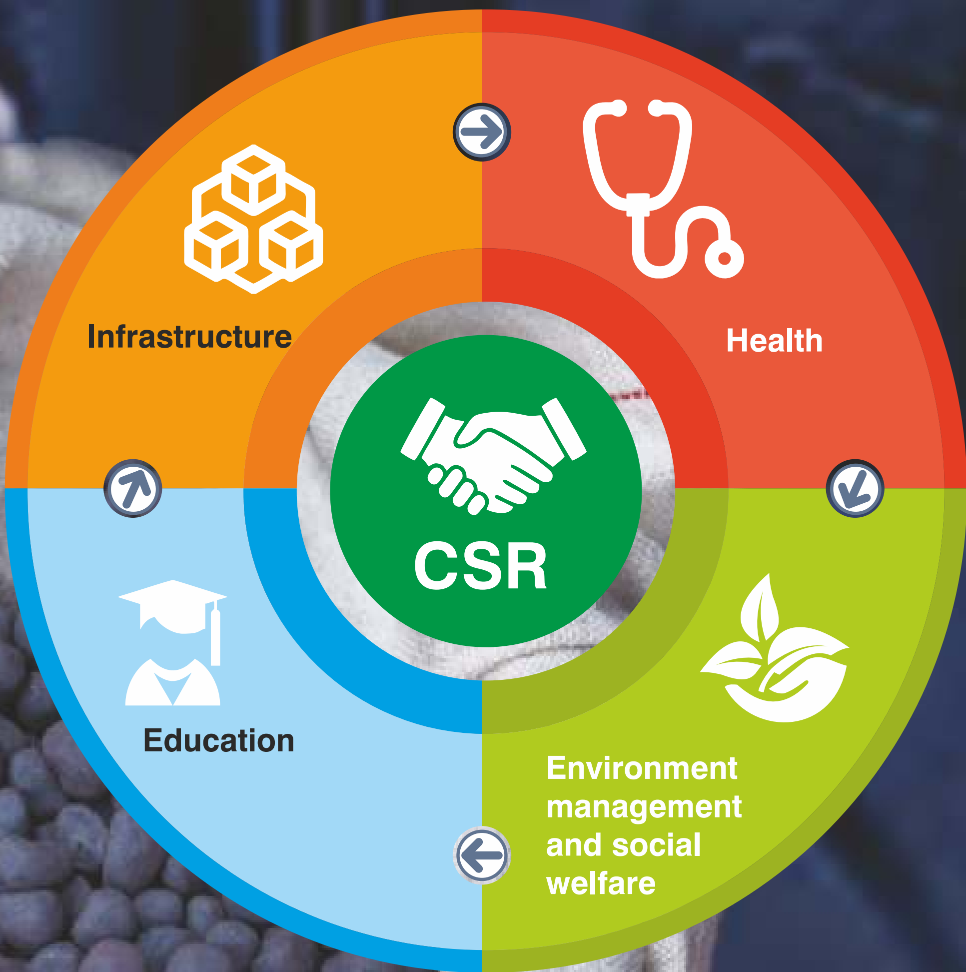
Any employee association recognised by the management
Yes

Beyond steel

Optimism driven through inclusiveness

A success of the business is not solely measured by its ability to generate profits, but also its ability to bring a positive change into the lives of people. We at Shyam Metalics have always believed in the power of inclusive growth through our Corporate Social Responsibility (CSR) programmes. For us CSR is not merely a compliance mandate, rather it is commitment towards the community and environment at large. We believe that CSR activities create dynamic relationship between a Company and the society on one hand and the environment on the other.

We are committed to make a difference by working to create economic opportunity, enhance the sustainability of our operations & the systems we operate in and strengthen local communities. We believe that an organization should focus on creating value in the long-term for the society as a whole. Our conscious endeavour is to serve the socio-economically backward, the under-privileged and the marginalized communities. The key initiatives undertaken by the Company during the year are:



Amount in CSR spends

₹ **152.00** lacs

Total energy generated through waste

₹ **10,52,965** kwh

Infrastructure:

Infrastructure development is crucial for economic growth. Our efforts have always been towards enhancing the available infrastructure and introducing new and innovative facilities. Improvements to local physical infrastructure such as roads, water, medical facilities near our manufacturing plants are always our foremost priority.

Education:

Education plays a pivotal role in unlocking the doors to many opportunities. Therefore, we inspire people from under privileged communities near us to pursue education. A technical institute is under development in the vicinity of the plant to impart training and technical knowhow to the local population. We also organise workshops and mass education camps, skill development camps near our manufacturing locations thereby ushering in a constructive change in the society, and hence the nation.

Healthcare:

Healthy communities build a healthy nation. We appoint doctors for regular health checkups thereby providing medical support / medicine in villages near our manufacturing plants. We also organise preventive health care services, community health outreach services including health camps for eye check-ups including cataract operations, blood and related tests. Charitable Ambulance facility is provided and owned by the organization, which is utilized dedicatedly to the people residing in the nearby villages of our plant. These health-care benefit aims to promote healthy living across communities around us.

Environment management and social welfare:

Our planet is fragile. It needs utmost love and sensivity. As a responsible corporate citizen we believe that an unspoilt environment is the great inheritance we can leave for the future generations. Our company takes the utmost care of the mother nature by generating power through waste, recycle and reuse of water; rainwater harvesting to recharge the ground water level; installation of electro static precipitators and bag filters in order to control the suspended particulate matter concentration from different processes at our manufacturing plants; Installation of fixed water sprinklers to control emissions; installation of continuous emission monitoring system and ambient air quality management system; installation of effluent treatment plant and waste water treatment plant to treat the waste water generated from the manufacturing plants and quarterly environment audit of our manufacturing plants by a third party consultants.

As a responsible corporate, our Company is fully committed towards its various social obligations. Distribution of food in orphan ages; conducting relief camps for rain affected villages surrounding Sambalpur and Jamuria manufacturing plants - are some of the few Corporate Social Responsibility activities which forms are an integral part of the business of SMEL extending beyond its statutory obligations.

Awards

Beyond steel

Optimism driven while integrating with stakeholders

A success of the business is not solely measured by its ability to generate profits, but also its ability to bring a paradigm shift into the business of its stakeholders. We recognise that corporate endurance can only be achieved through a governance-driven approach that enhances the confidence of all stakeholders and corporate respect.

Comfort of lenders

Our strong financials are backed by impeccable credibility across our value chain as well as national and global financial institutions. In a significant reassessment and recognition of our trustworthiness, the long-term credit rating of the Company stood at A+ Stable for long term banking facilities and A1+ for short term banking facilities by CARE. These standings have given us access to low cost finance as we are able to raise funds at various intervals from our lenders consortium banks. Such healthy credit lines enabled the Company to fully exploit the low cost purchase opportunity of various inputs at competitive prices and help the company remain agile.

Customer centric

We have made a habit of achieving higher volumes and profits over the years on a consistent basis. This has only been possible due to innovative management policies to ensure the development and trust of various customers. We have always put a habit of going back to clients and appraise them of various opportunities and appetite of their business. With this we have consistently kept shifting to a higher orbit of highly valued and respected corporate domestically as well as internationally.

Prudent governance practices

At Shyam Metalics, our governance philosophies are based on transparency, accountability, values and ethics and are an integral part of the management's initiative in its pursuit towards excellence, growth and value creation. Our commitment towards highest standards of ethical governance practices and disclosure practices through a core team of 12 Independent and Non-Independent Directors and 2 highly professional Auditors thereby ensure that the affairs of the Company are managed in the best interest of all stakeholders. We are committed to fulfilling their expectations by strengthening current operations and leveraging future opportunities and de-risking our enterprise from the cyclicity of a single product segment and delivering visibility of our income in more ways than one.

We also endeavors to be a responsible corporate citizen, contributing to the country's exchequer. This has prudently been reflected in our Balance Sheet.

Supply-chain partners

We recognise that growth does not come from how well we can grow our assets. But from how well we can grow our relationships. So the soul of our unwritten mission statement is not about the profits for the Company, but with value for the various supply-chain partners associated with the Company who work tirelessly and provide the best of services to us and thereby help us grow through leaps and bounds.

Ensuring quality

Our above-industry average performance has come from the extension of this value beyond a one-off transaction into a sustainable relationship across the long-term. This relationship is equally built on the pillars of our decades of servicing to the clients with a unwavering focus on quality. Delivery of quality products is always the top-most agenda of our organisation. Our quality control personnel examine and inspect every aspect of the production and supply-chain with stringent intermediate checks, resulting in the supply of world-class products to our customers and minimal rejects.

Over the years our have Company have been accredited with various international certifications including:

- ISO 14001:2015.
- ISO 9001:2005.
- ISO OHSAS 18001.
- TMT manufactured at Sambalpur plant certified and authorised by "Thermax"confirming to BIS standards.

Lender consortium of **11** banks

23 highly respectable domestic and **5** highly respectable international clients

5 no. of reputed supply -chain partners with long-term relations

Clientele

Domestic

JSL Jindal Stainless, Larsen & Toubro, BHEL, adani, SAIL, Tata Steel, JSW Steel

International

POSCO, NORECOM, DAHUTI, Goenka Group, Mitsui & Co.

Beyond steel

Optimism driven through a strong brand reputation

We believe that brand plays a biggest role in the building blocks of any corporate identity. Brand is the face of equity. It showcases the Company's identity to the market. Beginning with employee contribution, brand progresses towards becoming the Company's greatest asset. A strong brand can elevate the perception of a Company in the eyes of all its stakeholders - internal and external.

The marketing function is in most cases both the first and the last to interact with our valued customers. In a sense, they are the face of our organization and must portray the strength of the body or support our other functions together provide to them. With an increase in new players in the competition and the expansions of existing players, marketing faces even stiffer challenges than before. In such a situation, it is very clear to us that success will go to those who look for the most optimal solutions, depending on the type and nature of the consumer and the prevalent market conditions and not to those who remain fixated on achieving a permanent strategy.

At Shyam Metalics, our diverse range of iron & steel products caters to needs of infrastructure industry, thereby providing superior quality at competitive prices. We are deeply committed to strengthen the SEL (For TMT bars) brand further and towards this we have ensured strict quality compliance besides developing strong work ethics. We are also taking advertising and on-ground marketing initiatives to enhance the brand's recognition and popularity among the target customers. This approach has helped us enormously to achieve our set goals. We have built strong distribution network of more than 24 dealers and distributors across 13 states in India.

Our efforts in developing highly focused and target-specific communications have resulted in a powerful brand value that “SEL” enjoys today. Consumers have high recall of the brand and overall our branding has helped strengthen our pricing and achieve better realizations.

Invested

₹ **567.33** Lacs

in advertisement and publicity over three years.

Endorsements promoted through **print** and **outdoor** media resulting in a countrywide brand visibility.

Beyond steel

Optimism driven through operational efficiencies

In an unpredictably volatile world, the first priority is to strengthen one's resolve for a sustainable value creation with a long-term strategy. For this one has to persist through ups and downs and yet remain focused on the bigger picture.

At Shyam Metalics and Energy Limited, we had always been determined of growing our business even at times of moderating demand and tough economic conditions. In a challenging yet recovering year, even as demand from downstream users remained volatile and cheaper yet restricted imports always threatening to challenge the domain of existing manufacturers, we countered the prevailing reality through various initiatives.

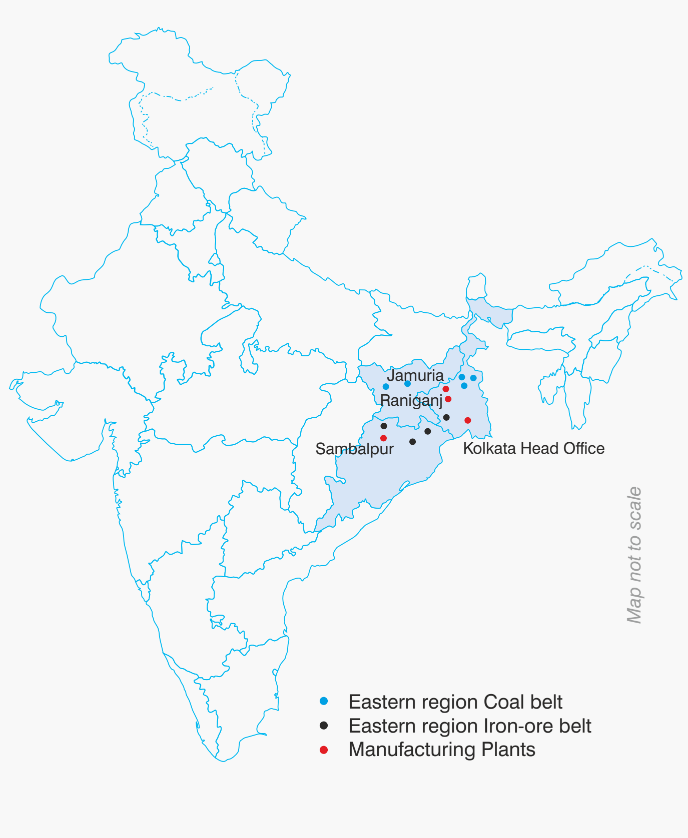
Logistics Infrastructure	• Captive Railway Siding. • On site rake movement for smooth supply of materials and products. • Close proximity to Ports (within 250 km) – facilitates cost effective exports business.
Proximity to raw material sources	• Manufacturing plants located close to mineral belt in East India. • Proximity to iron-ore, coal mines, chrome ore & manganese ore. • Well connected by ports and other logistics network.
Energy and Power	• Captive power generation capacity of 166 MW. • Power generated through Waste Heat / Reject Dolochar (Non-Fossil Fuel). • 90% of power requirement is met through captive units. • Cheapest cost of power - < ₹ 2.00/ unit.
Integrated Operations	• Integrated operations at each plant in Orissa and West Bengal. • Backward integration infrastructure including Pellet plant, Sponge Iron, Billets. • Forward integration into TMT Bars, Rods, ERW Pipes and Ferro Alloy Plant. • Multiple Products enables to derisk demand / cost pressure.
Well Insured	• We maintain a number of insurance policies which are in line with industry practices • Broadly covering properties (i.e. Factory Building, Non Factory Building, Plant and Equipments, Inventories, Heavy and Light Motor Vehicles)

Source of various raw materials:

Coal : Lakhanpur Coalfield OCP, Belphari OCP of IV Valley (MCL) (around 250 KM)

Iron Ore: Barbil, Koira District (240 KM)

Manganese Ore: Sundargarh and Koenjor District



₹ 4,936.13 Crore
Cost of materials consumed in last 3 years.

₹ 7,949 Crore
Total Sales in last 3 years.

Chairman's thought

Welcome to the Annual Report of Shyam Metalics and Energy Limited for the F.Y. 2017-18.

The year has been a great year as we created newer milestones in production as well as profits. These achievements are particularly momentous for an exciting future.

Optimism in economy

As you are aware, the Indian economy had a slow start in 2017-18 due to the transitional impacts of demonetisation and introduction of GST. However, the economy did stabilise during the second half of the year and is now poised to achieve higher growth.

One of the factors behind our optimism is the implementation of GST. This has indeed been a most welcome economic reform that should have a huge positive impact on the economy in the long run as it would result in the elimination of cascading taxes, reduction in logistic costs and narrowing cost differential between the organised and unorganised sectors.

It is a sign of deep prospects that despite the infrastructural slowdown in the last couple of years, the country continues to remain one of the most attractive in iron & steel sector opportunities. With a new dawn in the Indian economy, Government of India has also come up with various policy reforms to address the root needs of people. Infrastructure development is one such area taken-up by the Government keeping in mind the future growth of the Indian economy considering that the over-all economy can prosper only if bottom-line needs of the people are taken care of. We are of the view that this initiative will boost construction activity thereby increasing the demand for steel.

India's urban population is growing at breath-taking speed. This makes it imperative to strike the right balance of urban development alongside the infrastructure growth. Towards this, our country is foreseeing a record allocation of ₹ 3.96 trillion to infrastructure sector. This will turn the spotlight on reinforced structures like ports, roads, railways and other areas like affordable housing, physical infrastructure thereby providing necessary momentum to the steel sector to meet its growth targets.

Shyam Metalics is attractively placed to capitalize on India's projected 7.3% GDP growth for 2018-19 through a combination of prudent vertical selection, in-depth knowledge, proven competence, best-in-class assets, transparent governance and spare capacity to grow.

Steel insight

China accounts for half of global steel production. During 2017-18 after the Chinese Government selected to moderate steel production due to various internal reasons at their end, there was adverse impact on demand-supply scenario and prices internationally. But this caused a huge benefit to our country. There was reduction in imports from China thereby giving a huge fillip to the domestic steel makers.

World crude steel production for the 64 countries reporting to the World Steel Association (world steel) was 148.30 million tonnes (MT) in March 2018, a 4.0% increase compared to March, 2017. China's crude steel production for March 2018 was 74.0 million tonnes (MT), an increase of 4.50% compared to March, 2017. India produced 9.20 million tonnes (MT) of crude steel in March 2018, up by 5.30% from March, 2017. Japan produced 9.10 million tonnes (MT) of crude steel in March, 2018, an increase of 2.20 % compared to March, 2017.

The Indian steel industry is riding high on the resurgent economy and rising demand for steel. Rapid rise in steel production has resulted in India becoming the 2nd largest producer of crude steel. The 12th Fve Year Plan of the government is envisaging an investment of $ 1 trillion in infrastructure that will boost the demand for steel. India has enormous scope and untapped potential to increase steel consumption in almost all sectors, especially in automobiles, engineering industries and infrastructure development. The consumption of steel per capita in India is around 65 kg per year, much lower compared to the global average (235 kg), leaving significant scope for growth. Growing investments in infrastructure, rapid growth in the industrial sector, increase in urban population, and strengthening of rural steel market can raise the country's per capita steel consumption considerably. India's GDP growth is likely to move on the higher side in the coming years due to focus by policy makers on compulsory development of infrastructures & other sectors.

Reviewing 2017-18

We have been able to script a success story by registering a healthy growth in turnover of from ₹2,403.36 Crores in 2016-17 to ₹ 3,848.44 Crores in 2017-18. At a time when most manufacturers struggled to create demand for their products, your Company's Profit After Tax (PAT) zoomed up ₹ 8.09 Crores in 2016-17 to ₹ 516.71 Crores in 2017-18.

Outlook for FY 19 and beyond

While the results achieved in FY 18 were satisfactory, we are working towards accelerating this momentum of profitable growth and quite hopeful of achieving new milestones based on the following expectations in the near term:

- Full utilisation of our existing product mix.
- Optimisation, upgradation, commissioning of newer capacities.
- Continued focus on cost reduction.

Next level

Our business vision is centred on sustainability. We realise that only by creating a sustainable future, we can pave the way to help shape a self-reliant India. We believe that inclusive growth is the visible manifestation of sustainable prosperity; hence we focus on offeringvalue to all our stakeholders. Our employees have been instrumental in providing a robust foundation for our organisation, from where we draw inspiration and continuously strive to set new benchmarks. The idea of caring and sharing derives our quest for growth and give us a sense of fulfilment.

I would like to express gratitude towards all our stakeholders, for their continued faith and belief in us.We are committed to upholding your trust, and continue on our stated mission with creativity, imagination and conviction. Put another way, we will continue to capitalise on our excellence.

With warm regards

Mahabir Prasad Agarwal

To

The Members,

Your Directors have the pleasure to present you the fifteenth Annual Report of your Company along with the Audited Annual Accounts for the financial year ended 31st March, 2018.

➢ **FINANCIAL RESULTS**

The summarized financial results as compared to previous year are furnished below: (Rs in Million)

Particulars	Consolidated		Standalone	
	2017-18	2016-17	**2017-18**	2016-17
Total Revenue	39237.49	24689.06	19048.14	119,42.95
Earnings before interest, tax, depreciation and amortization (EBITDA)	**7711.34**	**3392.64**	**3274.20**	**16,08.52**
Less: Interest (Finance Cost)	485.33	515.84	254.30	2,54.92
Profit before Depreciation/amortization and taxes (PBDAT)	**7226.01**	**2876.80**	**3019.90**	**13,53.61**
Less: Depreciation and amortization	2147.43	2125.68	989.64	9,45.92
Profit before tax(PBT)	**5078.58**	**751.12**	**2030.26**	**4,07.69**
Adjustments for taxation				
Current Tax	1380.81	234.21	480.00	135..00
Deferred Tax	(1487.34)	(186.76)	(1268.15)	(237.68)
Profit after tax(PAT)	5185.11	703.68	2818.41	5,10.37
Other comprehensive income for the year	(18.05)	105.92	12.02	(0.30)
Total comprehensive earning for the year	**5167.06**	**809.59**	**2830.44**	**5,10.07**

Indian Accounting Standarss (IND AS)

Your company,s its subsidiary and joint venture financial statements for the year ended 31st march , 2018 are the financial statements prepared in accordance with Ind AS notified under the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules 2016 as applicable

➢ **DIVIDEND**

In view of the future funds requirements for the in-hand projects, your Directors do not recommend any dividend for the financial year 2017-18.

➢ **EXTERNAL ENVIRONMENT**

• MACRO-ECONOMIC CONDITION

During the Financial year 2017-18 the global economy continued it broad based momentus and registered a growth of 3.8%, its strongest level since 2011, as more than half of the world's economies registered growth. Global manufacturing activity continued to grow on account of favourable financing conditions globally accommodative policies, rising investor confidence and increase in commodity prices.

India is among the fastest growing major economies of the world. It is also the sixth-largest economy on a nominal basis. The country's GDP has grown at 7.1% CAGR from 2012-13 to 2017-18 primarily driven by Services sector that grew by 8.5% during the period respectively.Government fixed capital expenditure (GFCF) grew at a CAGR 5.4%,leading to increase in growth during past five years.

In FY19, we expect GDP to witness a growth of 7.5%, largely led by consumption, with a mild support from investments. A normal monsoon in 2018, benig interest rates, return of pent-up demand and implementation of house rent allowance (HRA) revisions at the state government level would support growth, together with the government's thrust on rural and infrastructure sectors. Quick resolution of GST related glitches and faster trade growth, supported by cyclical recovery in the global economy should help lift India's exports, too. Recapitalisation of public sector banks will allow funding support from banks and support growth.

Steel demand is closely related with GDP growth, with steel demand to GDP growth multiplier varying across phases. After lagging India's GDP growth since 2012-13, steel demand growth outpaced macro-economic growth in previous fiscal. With a gradual expansion in GDP, rise in income as well led to robust growth in Auto, Consumer Durables, Railways, Affordable Housing, and Rural Housing coupled with low base effect of last year (demonetisation).

• ECONOMIC OUTLOOK

According to International monetary Fund (IMF) global growth is projected to rise to 3.9% in 2018 and 2019 closer to the long term growth trend of 4% .The IMF estimates that the growth of more than 1.5% in 2017 in each of the world's seven biggest economies will provide an impetus to the world economy to achieve more rebust growth in 2018. Advance economies are expected to maintain their growth momentus in 2018. Advance economies are expected to maintain their growth momentum in 2018, The US economy is projected by IMF to grow at a faster pace (2.70%) in 2018 added by the fiscal stimulus and policies. China's GDP growth is likely to moderate to 6.5% in 2018 as the policy maker continue tgeir efforts to promote the quality growth. Supply side reforms through capacity cuts, rural revitalization , urbanization & housing reform and controlled pace of credit growth are likely to determine domestic demand and potential movement in commodity prises. As per IMF, India is expected to grow between 7.00 % to 7.50 % in fiscal 2018-19 added by the rural development , infrastructure investment and expansion of manufacturing activity.

India is now the third largest producer of finished steel globally with an output of 69.9 MT from April-November 2017. This is a 5.1% yoy increase for a similar period last year. During the same period, exports of finished steel stood at 6.63 MT (57% increase yoy), making India a net exporter of steel for the first time since FY14. On the other hand, imports have increased by only 16.9% to 5.53 MT. The mining sector is unlikely to get any direct benefit from the Union Budget. However, the sector is likely to benefit from the increase in steel consumption, improvement in power generation, as well as get a strong boost from firm global commodity prices.

The metals sector has strongly benefitted from the government's decision to support domestic producers by imposing duties and Minimum Import Price (MIP) on steel imports. Though MIP on steel was gradually withdrawn, a combination of Anti-Dumping Duty (ADD) and Safeguard Duty on both Hot Rolled and Cold Rolled products has ensured that domestic producers have remained competitive. ADD and other import restriction measures were imposed on imports from countries like China and SouthKorea.

The important themes on which the Union Budget 2018-19 would be focused are 'Rural India' and 'Infrastructure & Construction'. Metal stocks are likely to benefit from multiple tailwinds emanating from this new focus. Firstly, increased allocation towards infrastructure and construction spending is likely to increase demand for steel and steel products. Secondly, domestic protectionism measures are likely to sustain in the medium term. This would help the domestic steel industry to gain domestic market share and grow volumes at 6% over FY18E-21E. Consequently, mining companies are likely to benefit from this increased demand in steel and see higher offtake.

India's prospect s continue to remain bright considering that india's per capita consumption of approximately 65 kf is one third of global average and government intends to increase it to approximately 160 kg by financial year 2031 (CAGR approximately 8%) under the National Steel Policy , Public investment, government initiatives such as Make in India , smart cities, and focus on rural development is likely to support growth in domestic demand while headwind s exist in the the form of increased competitiveness and possible delay in increase of Investments.

➢ **STEEL INDUSTRY OVERVIEW**

The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output causing India to be the world's third-largest steel producer in 2018. The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels. The Indian steel industry has increased its capacity in the recent years, though the demand growth has remained muted. This has resulted in financial stress in the balance sheet of the steel players. And on the positive notes, Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past. India's prospects continue to remain bright albeit with few shortterm headwinds in the form of imports and surplus capacity. Proactive policy measures by the Government are expected to address most of these concerns.

Initiatives taken by the Company

The company is poised for further backward and forward integration and has expanded its plant capacity as per phased plans. All project inplementations are on schedule. The logistic support from own railway siding and backward integration of pellet plant, etc. are paving way for a brighter future. Your Directors are very sure of bright days in coming.

- **OPERATIONAL REVIEW**

The Company is engaged in the business of manufacturing value added products including Ferro Chrome, Ferro Manganese, Silico Manganese, Pig Iron, Angle, Channel, Beam, TMT Bars, H.T. Billet, Special Steel Billet, M.S.Billets, Sponge Iron and Iron Pellet. In addition, the company generates power mainly for captive use.

The standalone total revenue of the company (comprising of sale and other income) for the financial year under review was 19048.14 million as compared to Rs 11942.95 million during the previous financial year, the operating margins has increased from Rs. 1608.52 million in the FY'2016-17 to Rs. 3274.20 million in the FY 2017-18. The PBT increased from Rs. 407.70 million for the FY'2016-17 to Rs. 2030.26 million in the current year. PAT increased from Rs. 510.37 million during the previous financial year to Rs.2818.41 million during the FY'2017-18.

The consolidated total revenue of the company (comprising of sale and other income) for the financial year under review was 39237.49 million as compared to Rs 24689.06 million during the previous financial year representing the growth of 31% and the operating margins has increased from Rs. 7711.34 million in the FY'2016-17 to Rs 3392.64 million in the FY 2017-18. The PBT increased from Rs. 751.12 million for the FY'2016-17 to Rs. 5078.58 million in the current year. PAT increased from Rs. 703.68 million during the previous financial year to Rs.5185.11 million during the FY'2017-18.

The Net Worth of company increased from Rs 12786.17 million as on 31st March, 2017 to Rs 15662.16 million as on 31st March, 2018, The Company has 6 wind power plants in Maharashtra .

- **CHANGE IN NATURE OF BUSINESS**

There has been no change in the nature of business of your Company during the year under review.

- **SHARE CAPITAL**

The paid up equity capital as on March 31, 2018 was Rs 467,220,200. The Company has not issued any shares or securities with differential voting rights nor granted stock options nor sweat equity.

- **BONUS SHARE**

The Board of Directors of your Company has recommended in its meeting held on 15th May, 2018 the issue of bonus shares in ratio of 4:1 i.e., four equity shares for every 1 existing equity shares subject to the approval of members. The bonus shares shall be allotted to the members as on the record date to be announced after the approval of bonus issue by members. The bonus shares shall be eligible for dividend that may be declared for the financial year 2018-19 and thereafter.

DEMATERIALISATION OF SHARES

As on the reporting date, 4,30,64,190 equity shares, representing about 92.17% of the total paid-up capital of the Company, have been dematerialized through the depository- National Securities Depository Limited (NSDL).

- **PUBLIC DEPOSIT**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.

- **FINANCE**

Your Company has been regular in meeting its obligation towards payment of Principal/Interest to the Banks and other institutions. The company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

- **OUTLOOK**

Your Company is ready to take advantage of the growth in the iron and steel sector and upon completion and commissioning of its projects; it shall make a significant presence in the industry. Your Company has an optimistic outlook ahead.

➢ EXPORT

Your company's exports of various products during the year were under:

Product Segment	2017-18 (Qty. in Mt.)	2016-17 (Qty. in Mt.)
Iron Pellet	-	34996
Billet	27258.00	38237.96
Ferro Chrome	5670.00	6698

➢ CREDIT RATING

The company has retained the financial credit rating of A+ Stable for long term banking facilities and A1+ for short term banking facilities by CARE. The rating underscores the financial strength of the company in terms of the highest safety with regard to timely fulfillment 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.

➢ EXPANSION PROJECTS

The company had completed the Phase IV, expansion plan at its Sambhalpur plant during the last financial year. Aggressive plan for future expansion is in pipeline and soon it will be unveiled. Your Directors are looking to expand the capacity in every fields of production.

➢ INTIAL PUBLIC OFFER

The Company is planing to come out with Intial Public Offer to the extent of Rs 1000.00 Crores to repay the the debt of Company and its Subsidiary Company namely Shyam Sel & Power Limited and other general purposes.

➢ SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

As on 31st March 2018, your Company has 6 subsidiaries, namely Shyam Sel and Power Ltd, Damodar Aluminium Pvt. Ltd, Singhbhum Steel & Power Limited Shyam Ores (Jharkhand) Private Limited , Shyam Business Solution Private Limited and Renaissance Hydro Power Private Limited. Hrashva Storage & Warehousing Pvt. Ltd. (formerly known as Uttar Purva Hydro Power Pvt. Ltd.), Shyam Energy Limited., Whispering Developers Pvt. Ltd., Meadow Housing Pvt. Ltd. and Taurus Estate Pvt. Ltd. are the second layer of subsidiaries of the Company, by virtue of being subsidiaries to Shyam SEL & Power Ltd.. Your Company is having MJSJ Coal Ltd. as its' joint venture.

Your Company is also having., Meghana Vyapar Pvt. Ltd, Kecons Trade Care Pvt. Ltd as its Associate Companies.

➢ RELATED PARTY TRANSACTION

All related party transactions for the year under review were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the company with Promoters, Directors or Key Managerial Personnel which may have potential conflict with the interest of the company at large. The details of the transactions with the related parties are disclosed in the notes to Financial Statements .A statement containing salient features of transactions with Subsidiary/ Associate/ Joint Venture companies in Form **AOC1** and Details of contracts or arrangements or transactions in **AOC-2** are attached hereafter in **Annexure – D (i) and D (ii).**

➢ STATUTORY DISCLOSURES:

• The extract of the Annual Return as required under Section 134 (3)(a) of the Companies Act, 2013 in form MGT-9 is annexed here with as **"Annexure A".**

• Conservation of Energy, Technology And Absorption And Foreign Exchange Earnings And Outgo Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

A statement in accordance with the provisions of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this Report "**Annexure B**"

- Corporate Social Responsibility (CSR) Policy:

  The Report on CSR is annexed to this Report – **"Annexure - C."**
- No. of Meetings:

  A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year (10) Ten Board Meetings, four (4) Audit Committee Meetings, two (2) Nomination and Remuneration Committee meeting and two (2) Corporate Social Responsibility Committee Meetings were convened and held. The intervening gap between the Meetings was within the limits prescribed under the Companies Act, 2013. The attendance of the Directors was mentioned here-in-after:

Name of the Director	Brij Bhushan Agarwal	Sanjay Agarwal	Deepak Kumar Agarwal	Dev Kumar Tiwari	Bhagwan Shaw	Bajrang Lal Agarwal	Kiran Agarwal	Venkata Krishna Nageswara Rao Majji	Ashok kumar Jaiswal*	MYudhvir Singh Jain *	Debashis Bandyopadhyay
A	**Board Meetings**										
21/04/2017	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	-	-	-
23/05/2017	Yes	Yes	Yes	-	Yes	Yes	-	-	-	-	-
26/06/2017	Yes	-	Yes	Yes	-	Yes	Yes	-	-	-	Yes
11/08/2017	Yes	Yes	-	-	-	Yes	-	-	-	-	-
28/08/2017	Yes	Yes	Yes	-	-	Yes	Yes	Yes	-	-	-
10/10/2017	Yes	Yes	Yes	-	-	Yes	-	-	-	-	-
14/12/2017	Yes	Yes	Yes	-	-	Yes	-	Yes	-	-	Yes
16/01/2018	Yes	Yes	Yes	-	Yes	Yes	-	Yes	-	-	Yes
20/02/2018	Yes	Yes	Yes	Yes	-	Yes	Yes	-	Yes	Yes	-
30/03/2018	Yes	Yes	Yes	-	-	Yes	-	-	Yes	Yes	
B	**Audit Committee Meetings**										
21/04/2017	-	Yes	-	-	-	-	-	Yes	-	-	Yes
28/08/2017	-	Yes	-	-	-	-	-	Yes	-	-	-
16/01/2018	-	Yes	-	-	-	-	-	Yes	-	-	Yes
30/03/2018	-	Yes	-	-	-	-	-	Yes	-	-	Yes
C	**Nomination & Remuneration Committee**										
28/08/2017	-	-		-	-	-	Yes	Yes	-	-	Yes
16/01/2018	-	-		-	-	-	Yes	Yes	-	-	Yes
D	**Corporate Social Responsibility Committee**										
23/10/2017	Yes	Yes		-	-	Yes	-	Yes	-	-	Yes
31/03/2018	Yes	Yes		-	-	Yes	-	Yes	-	-	Yes

* with effect from 16th Janruary, 2018

- Disclosure regarding Company's policies under Companies Act, 2013:

❖ **Nomination and Remuneration Policy:**

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members, KMPs and Senior Management of the Company. The composition of the Nomination and Remuneration Committee was as follows:

Mrs. Kiran Vimal Agarwal (Non-Executive Director)
Mr. Venkata Rao Nageswara Majji (Independent Director)
Mr. Debashis Bandyopadhyay (Independent Director)
Nomination and Remuneration committee is reconstituted as on 15.05.2018 and composition are as follow :
Mr Ajay Choudhury (Independent Director) Chairman
MS Rupanjana De (Indpendent Director) Member
Mr Mahabir Prasad Aagarwal (Non Executive Chariman) : Member

❖ **Whistle Blower Policy:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board

Further, as on date the Company has not identified any element of risk which may threaten the existence of the company (apart from the general market risks) which in the opinion of the Board may threaten the existence of the Company.

- **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provision of section 152 of the Companies Act , 2013 and Company"s Article of Association Shri Deepak Kumar Agarwal (DIN: 00560010.) and Dev Kumar Tiwari (DIN: 02432511), Directors are liable to retire by rotation at ensuing Annual general meeting and, being eligible, offer themselves for re appointment. The Board of Directors recommends their re-appointment.

Board of directors at it meeting held on 16th Janruary, 2018 has appointed Shri Ashok Kumar Jaiswal(DIN:00545574) and Shri Yudhvir Singh Jain (DIN: 06506365) as Independent Directors for the period of five year subject to approval of member at forthcoming Annual General Meeting.

Sri Mahabir Prasad Agarwal is appointed as non executive Chairman and Mr Kishan Gopal Baldwa and Ms Rupanjana De are appointed as Independent Director.

Brief details of Directors proposed to be re-appointed are provided in the Notice of Annual General Meeting forming part of this Report.

- **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

a. that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b. that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2018 and of the profit of the Company for the year ended on that date;
c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. that the annual financial statements have been prepared on a going concern basis;
e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

- **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

DECLERATION BY INDEPENDENT DIRECTORS

All the Independent Directors have furnished the requisited declarations that they meet the independence crireria as laid down under section 149(6) of the Companies Act, 2013 read with the rule made thereunder

SEPARATE MEETING OF INDEPDENDENCE DIRECTORS OF THE COMPANY

The Independent Directors had a meeting on 21st February, 2018 to review the performances and evaluation criterias of the Non-Independent Directors amd communicated their findings to the Chairman of the Board.

Company's policy on Directors appointment and remuneration including criteria for determining qualification, positive attributes, independence of Directors.

In accordance with the provisions of Companies Act, 2013 the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee have adopted a criteria for determination of qualification, positive attributes and independence of directors and Policy for Remuneration of Directors, a Policy for Remuneration of Senior Management Personnel (including Key Management Personnel) and a Policy for Remuneration of Other Employees.

PERFORMANCE EVALUATION OF THE BOARD AND ITS COMMITTEE AND ITS DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an evaluation of its own performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

- **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an evaluation of its own performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

- **INTERNAL COMPLAINTS COMMITTEE-SCOPE AND POLICY**

In order to provide protection against sexual harassment of women at work place and for the prevention and redressal of complaints of sexual harassment and matters connected therewith or incidental thereto, an Internal Complaint Committee has been formed and the policy on ''Anti Sexual Harassment'' as per the provisions of The Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee is being re-constituted this year in the following manner:

SMEL Comments: Yes we have

1. Mr. R.K. Chakraborty- Chairman
3. Ms. Sampa Saha-Member
4. Mr. Manas Kumar Das-Member

Matters handled by the previous Internal Complaint Committee during the year 2017-18, are as follows:-

- Number of complaints on sexual harassment received during the year: NIL
- Number of complaints disposed off during the year: N.A.
- Number of cases pending for more than 90 days: N.A.
- Nature of action taken by the Employer: N.A.

The policy, objectives, scope and other details is contained in the Internal Complaints Committee Policy maintained by the Company.

- **AUDIT COMMITTEE**

The Composition and terms of reference of the Audit Committee satisfy the Section 177 of the Act read with Companies (Meetings of Board and its powers) Rules, 2014

Composition

Mr. Venkata Rao Nageswara Majji Chairman (Independent Director)
Mr. Sanjay Kumar Agarwal Member (Whole Time Director
Mr. Debasish Bandopadhyay Member (Independent Director)

The Audit Committee is reconstituted on 15.05.2018 and The composition of Audit committee are as follows:

Mr Kishan Gopla Baldwa (Independent Director) : Chairman
Mr Ashok Kumar Jaiswal (Independent Director) : Member
Mr Yudhvir Singh Jain (Independent Director) : Member
Mr Sanjay kumar Agarwal (Executive director) : Member

The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

Particulars of loans, Guarantees or investments by Company:

Details required to be disclosed pursuant to the provisions of Section 186 of the Act are disclosed in the notes to Financial Statements.

- **CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct".

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

- **AUDITORS AND AUIDTORS' REPORT**

- Statutory Audit:

Under section 139 of the Companies Act 2013 and rule made thereunder , it is mandatory to rotate the statutory Auditors,. In line with the requirement s of the Act M/s. S.K.Agrawal & Co., Chartered Accountants (firn Regn No 306033E) was appointed as statutory Auditor of the Company to hold the office for the period of 4 consecutive year from the conclusion of the 16th Annual General Meeting to 20th Annual General Meeting held on 26th September, 2017 till the conclusion of 20th Annual Genertal Meeting .

- Auditors' Report:

Report of the auditors, read with the notes to the financial statements, is self-explanatory and needs no elaboration.

- Cost Audit:

Pursuant to Section 148 of the Companies Act, 2013 and Rules made thereunder, the Board had re- appointed Mr.

Abhimanyu Nayak as Cost Accountants, to conduct cost audit of the Company for the year 2017-18.

The Board of Directors have re-appointed M/s Abhimanyu Nayak and Associates as the Cost Auditors for the financial year ended 2018-19 in the Board Meeting held on 15th May 2018 and their remuneration is sought to be ratified from the shareholders at the coming forth Annual General Meeting.

- **DETAILS OF MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

- **DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

There no such oeder has been passed by the Regulator or Court or Tribunal during the year

- **SECRETARIAL AUDIT**

Pursuant to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the the Comopanies (appointment and Remuneration of Managerial Personnel) Rule, 2014, your company has appointed M/s DS & Associates LLP, Practicing Company Secretary having CP no 12963 to conduct the Secretarial Audit of your company for the financial year , 2017-18. . The Secretarial Audit Report for the financial year ended 31st March, 2018 forms part of the Board's Report as "Annexure E" The Secretarial Auditors' Report to the shareholder for the year under review does not contain any qualification, reservation and advserse remark.

- **INDUSTRIAL RELATIONS**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

- **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

Your Company firmly believes in practicing good Corporate Governance, attaining maximum level of transparency, accountability and equity in all facets of its operation and in all its interactions with its stakeholders. Your Company adheres to the highest ethical standards and thrives to be a responsible corporate citizen.

- **ACKNOWLEDGEMENTS**

The Directors express their sincere appreciation to the valued shareholders, employees, Business Associates, Customers, Suppliers, Financial Institutions, bankers and clients for their support and also various Central and State Government Departments, Organizations and Agencies especially The Government of Orissa for the continued help and co-operation extended by them.

For and on behalf of the Board

	Brij Bhushan Agarwal	Sanjay Kumar Agarwal
Date : 15th May, 2018	Managing Director	Director
Place: Kolkata	(DIN: 01125056)	(DIN: 00232938)

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURES

Annexures forming a Part of this Report of the Directors

The annexures referred to in this report containing information required to be disclosed are annexed as under:

Annexure	Particulars
A	Extract of Annual Return – MGT9
B	Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo.
C	Annual report on Corporate Social Responsibility.
D (i)	Statement containing salient features of financial statements of Subsidiaries, Associates and Joint Ventures - AOC1
D (ii)	Details of Loans and Investments. Particulars of contract or arrangements entered into by the Company with Related Parties. – AOC 2
E	Secretarial Audit Report - MR3
F	Nomination and Remuneration Policy

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

1	CIN	U40101WB2002PLC095491
2	Registration Date	12-10-2002
3	Name of the Company	SHYAM METALICS AND ENERGY LIMITED
4	Category/Sub-category of the Company	Company limited by Shares
5	Address of the Registered office & contact details	TRINITY TOWER" 83 TOPSIA ROAD, 7TH FLOOR KOLKATA-700046
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	ABS Consultants Pvt. Ltd.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sponge Iron	24102	23.87
2	Billet	24109	21.45
3	TMT Bar	24109	9.42
4	Ferro Alloy Products	24109	23.43

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Shyam Sel and Power Ltd, 5, C.R. Avenue Princep Street Kolkata-700072	U27109WB1991PLC052962	Subsidiary	82.7	2(87)
2	Damodar Aluminium Pvt. Ltd., "ViswaKarma", 1st Floor,86C, Topsia Road Kolkata- 700046	U70200WB2008PTC126484	Subsidiary	54.15	2(87)
3	Singhbhum Steel & Power Ltd., "ViswaKarma", 1st Floor,86C, Topsia Road Kolkata- 700046	U70100WB2008PTC126431	Subsidiary	91.45	2(87)
4	Shyam Business Solutions Pvt. Ltd., "Viswakarma" 1st Floor, 86C, Topsia Road Kolkata-700046	U74140WB2008PTC129092	Subsidiary	52.78	2(87)
5	Shyam Ores (Jharkhand) Pvt. Ltd., "Viswakarma" 1st Floor, 86C, Topsia Road Kolkata-700046	U70200WB2008PTC126792	Subsidiary	52.78	2(87)
6	Renaissance Hydro & Power Private Limited Pvt. Ltd., "Viswakarma" 1st Floor, 86C, Topsia Road Kolkata-700046	U74999WB2011PTC169369	Subsidiary	52.78	2(87)

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7	Meghana Vyapar Pvt. Ltd., 5, C.R. Avenue, 3rd Floor, Kolkata-700072	U51909WB1995PTC075497	Associate	33.51	2(6)
8	Kecons Trade Care Pvt. Ltd. "Vishwakarma" 86-C, Topsia Road, 2nd Floor Kolkata-046	U51909WB1995PTC073411	Associate	47.32	2(6)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,798,035	570,000	5,368,035	11.49%	4,798,035	570,000	5,368,035	11.49%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	38,269,155	3,084,830	41,353,985	88.51%	38,269,155	3,084,830	41,353,985	88.51%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	43,067,190	3,654,830	46,722,020	100.00%	43,067,190	3,654,830	46,722,020	100.00%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%		-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	43,067,190	3,654,830	46,722,020	100.00%	43,067,190	3,654,830	46,722,020	100.00%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	0.00%	-		-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%			-	0.00%	0.00%
Trusts	-	-	-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	43,067,190	3,654,830	46,722,020	100.00%	43,067,190	3,654,830	46,722,020	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bajrang Lal Agarwal	500	0.00%	NIL	500	0.00%	NIL	0.00%
2	Sanjay Kumar Agarwal	6316	0.01%	NIL	6316	0.01%	NIL	0.00%
3	Mahabir Prasad Agarwal	505	0.00%	NIL	505	0.00%	NIL	0.00%
4	Brij Bhushan Agarwal	4683964	10.03%	NIL	4683964	10.03%	NIL	0.00%
5	Brij Bhushan Agarwal (HUF)	450000	0.96%	NIL	450000	0.96%	NIL	0.00%
6	Mittu Agarwal	226,750	0.49%	NIL	226,750	0.49%	NIL	0.00%

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
7	Dorite Tracon Private Limited.	3,039,333	6.51%	NIL	3,039,333	6.51%	NIL	0.00%
8	Kalpataru Housfin & Trading Private Limited	1,359,000	2.91%	NIL	1,359,000	2.91%	NIL	0.00%
9	Narantak Dealcomm Limited	10,812,668	23.14%	NIL	10,812,668	23.14%	NIL	0.00%
10	Subham Capital private Limited	8,398,954	17.98%	NIL	8,398,954	17.97%	NIL	-0.01%
11	Subham Buildwell Private Limited	14,519,450	31.08%	NIL	14,519,450	31.08%	NIL	0.00%
12	Toplight Mercantiles Private Limited	139,750	0.30%	NIL	139,750	0.30%	NIL	0.00%
13	Sonata Retails Private Limited	1,012,595	2.17%	NIL	1,012,595	2.17%	NIL	0.00%
14	Sonata Traders Private Limited	1,028,135	2.20%	NIL	1,028,135	2.20%	NIL	0.00%
15	Sonata Dealtrade Private Limited	1,044,100	2.23%	NIL	1,044,100	2.23%	NIL	0.00%
	Total	46,722,020	100.00%		46,722,020	100.00%		

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01.04.2017		46,722,020	100.00%	-	0.00%
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2018		46,722,020	100.00%	-	0.00%

(iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31,011.40		1,407.03	32,418.43
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	31,011.40	-	1,407.03	32,418.43
Change in Indebtedness during the financial year				
* Addition	2,290.62			2,290.62
* Reduction			(556.00)	(556.00)
Net Change	2,290.62	-	(556.00)	1,734.62
Indebtedness at the end of the financial year				
i) Principal Amount	33,302.20		851.00	34,153.20
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	33,302.20	-	851.00	34,153.20

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Name	**Brij Bhushan Agarwal**	**Sanjay Kumar Agarwal**	**Deepak Kumar Agarwal**	**(Rs)**
	Designation	Managing Director	Whole Time Director	Whole-time Director	
1	Gross salary	74.10	37.80	16.20	128.10
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total (A)	74.10	37.80	16.20	128.10
	Ceiling as per the Act				

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	**Dev Kumar Tiwari**	**Bhagwan Shaw**	(Rs.)
	Designation	Whole-time Director	Whole-time Director	
1	Gross salary	10.40	2.30	12.70
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)	10.40	2.30	12.70
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify		-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify (Salary)				-
	Total (2)	-			-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				

C. **Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name		Shri Kumar Dujari	Susmita Roy	(Rs/Lac)
	Designation	CEO	CFO	Company Secretary	
1	Gross salary	-	14.20	1.80	16.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	14.20	1.80	16.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Brij Bhushan Agarwal
Managing Director
(DIN: 01125056)

Sanjay Kumar Agarwal
Director
(DIN: 00232938)

Date : 15th May, 2018
Place: Kolkata

ANNEXURES "B" TO THE DIRECTORS' REPORT

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 (3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014.

I. CONSERVATION OF ENERGY:

a) Efforts made for conservation of energy:

During the year, the Company continued its thrust towards compliances of environmental regulation and energy conservation to improve upon its past performance. Your Company continues to accord priority on the energy conservation schemes to conserve natural resources on an on-going basis including regular review of energy generation and consumption and effective control on utilisation of energy. The following energy conservation measures were taken by the Company during the financial year:

1. Generation of electrical energy by recovering waste energy through installation and commissioning of Waste Heat Recovery Boiler.
2. Use of Fly Ash, a waste generated from Power Plant, in Brick production.
3. Use of un burnt fuel of DRI for generation of power by mixing into coal in boilers.
4. Installation of ABC fans at DRI plant to produce additional heat for utilization in the waste heat boiler.
5. Replacement of inefficient motors with energy efficient motors.
6. Installation of on-line temperature controller with sensor on cooling tower.
7. Replaced conventional cooling tower fan blade with high efficiency blade to reduce power consumption.
8. Flash steam recovery system to reduce steam loss.
9. Efficient use of by-product gases for Power Generation.
10. Optimized the compressed air pressure setting.
11. Internal energy audit including load balancing study was carried out to understand the power losses.
12. Introduced computer aided load monitoring, load shedding system to optimize the operation.

b) Additional investment and proposal being implemented for reduction of energy consumption :

1. New DG sets replaced with old DG Sets to reduce the power and fuel cost.
2. Efforts are on to reduce auxiliary power consumption in captive power plant by replacing conventional system with energy efficient equipments.
3. Investing in alternative or non-thermal based power generation technology.
4. Timely compliance with safety and emission regulation.
5. Building capability for dynamic simulation of power plants.

c) Impact of above measures on consumption of energy :

1. Lower plant specific energy consumption.
2. Improved system cost solutions for our customers and end users.
3. Resulted in improvement of power factor and consequential tariff benefit.
4. Reduced water consumption.

d) Total energy consumption and energy consumption per unit of production

As per Form 'A' given hereafter

FORM A

Power & Fuel Consumption

Particulars	Unit	2017-18	2016-17
ELECTRICITY			
a) Purchased-			
Qty (in lakhs)	KWH	17701722	1386689
Value (Rs)		121782537	95489.316
Rate per unit (Rs.)		6.88	7.08
b) Own Generation Consumed			
Through Steam Turbine/Generator			
Units (Net)	KWH	602973000	41,97,59,954
Cost/Unit (Rs.)		2.01	1.97
Coal			
Coal (used for generation of steam in boilers)			
Qty(in Mt)		594131	460305
Value (Rs)		594130940	460304976
Average Rate per Mt. (Rs.)		1000.00	1000.00

B. CONSUMPTION OF ELECTRICITY PER UNIT OF PRODUCTION

PARTICULARS	UNIT	2017-18	2016-17
Billet	MW	0.88	0.97
Sponge Iron (Including Coal Washery)	MW	0.07	0.07
TMT Bars	MW	0.13	0.14
Silico Manganese	MW	4.02	4.05
Ferro Manganese	MW	-	-
Ferro Chrome	MW	3.48	3.71
Iron Pellet	MW	0.05	0.05
Pipe	MW	0.04	0.04

II. TECHNOLOGY ABSORPTION:

FORM B

Disclosure of particulars with respect to technology absorption and research & development

RESEARCH & DEVELOPMENT (R & D)

- **Specific areas in which the Company carried out R&D:**
  1. Better control in process for improving quality of the output.
  2. Development of new method of analysis.
  3. Re-cycling of water and research on utilization of waste.
  4. Improving New Product Development (NPD) lead time.
  5. Testing and adaptation of new materials.
  6. Product engineering for enhanced product quality and reliability.
- **Benefits derived as a result of above R&D:**
  1. Better control on inputs and thereby improving the quality of the output to match with international specifications.
  2. Optimization of resource usage and refinement of process technology.
  3. Optimum utilization of waste for generation of power.
  4. Reduced fresh water consumption.
  5. Safer operations & improved competitiveness.

- **Future Plan of Action :**
  1. To reduce the auxiliary consumption of Power.
  2. Additional investment in manpower, latest instrumentation on to upgrade and strengthen R&D facilities.
  3. To make capacity addition in power plant.
  4. To improve the quality of Structured rolling mill products to increase the market Share.
- **Expenses on R&D:**

  All research & development activities being a part of operation cum projects and the expenditure are of continuous in nature, there is no separate cell for R&D activities and expenses and cost associated with such activities are grouped under the respective heads as per pre established accounting policies.

  1. Efforts made towards technology absorption, adaption and innovation :

     To increase the consumption of Dolachar for generation of Power.
  2. Benefits derived as a result of above efforts:

     This will result in reduction in overall cost of coal consumption.
  3. Future plan of action

     Improving the in-house R&D facilities and workforce to develop and grab the new technologies which have been used for backward and forward integration.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiative to increase exports, developments of new export markets for products and services and export plan.

The Company is making continuous efforts to increase its exports by exploring and developing new markets for its product. This effort was shows up in the previous year (i.e. 2016-17) and also shown in the current year (i.e. 2017-18) but due to adverse market our export had been reduced by 27.71% as compared to previous year.

Total Foreign Exchange Earning & Outgo ₹ in lacs

Particulars	2017-18	2016-17
Earning: Export	1129.92	1563.12
Outgo : Import	2241.29	691.21
Outgo :Expenditure in Foreign Currency	22.38	7.47

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Shyam Metalics & Energy Ltd is alive to its Corporate Social Responsibility and understands the critical role it plays in ensuring the long terms sustainability of a resource based company, and it has accordingly been giving this a high priority. In compliance with the requirement of the Companies Act, 2013, the Company has formed a Corporate Social Responsibility Committee.

In accordance with the provisions of the Companies Act, 2013 the Company have constituted a Corporate Social Responsibility Committee which comprises of the following members:

Mr. Brij Bhushan Agarwal - Chairman (Managing Director)

Mr. Bajrang Lal Agarwal- (Director)

Mr. Sanjay Kumar Agarwal – (Director)

Mr. Debasish Bandopadhyay – (Independent Director)

The CSR committee has been reconstituted on 15.05.2018 , comprises the following members:

Mr Mahabir Prasad Agarwal (Non Executive Chairman) : Chairman

Mr Brij Bhushan Agarwal (Executive Director) : Member

Ms Rupanjana De (Independent Director) : Member

Average net profit of the company for last three financial years for the purpose of computation of CSR : ₹ (6160.89) million

Prescribed CSR Expenditure (two per cent of the amount as in item 2 above) : ₹ (123.02) million

Details of CSR spent during the financial year:

a. Total amount had been spent for the financial year: ₹ Nil

b. Amount unspent: ₹ Nil

ANNEXURES "D" TO THE DIRECTORS' REPORT

D (i)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

Form- AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries (figs. In lacs)

Sl. No.	Particulars	Name of the Subsidiaries					
		Shyam Business Solutions Pvt. Ltd.	Damodar Alumunium Pvt. Ltd.	Singhbhum Steel & Power Ltd.	Shyam Sel and Power Ltd.	Renaissance Hydor Power Private Limited	Shyam Ores (Jharkhand) Private Limited
1.	Reporting Period for the Subsidiary concerned	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
2.	Share Capital	6.42	1.77	1.17	441.26	.01	0.26
3.	Reserves and Surplus		20.17	8.53	91057.35	(0.05)	1.35
4.	Total Assets		22.90	10.55	172054.05	1.71	2.14
5.	Total Liabilities		22.90	10.55	172054.05	1.71	2.14
6.	Investments	-			1791.06	0	0
7.	Turnover	-	7.32	0	142297.94	0	0
8.	Profit before Taxation		7.32	0	3479.44	0	0
9.	Provision for Taxation	-	.09	0	1501.32	0	0
10.	Profit/(Loss) after Taxation		6.38	0	1978.12	0	0
11.	Proposed Dividend	-	0	0	0	0	0
12.	% of shareholding	52.78	54.15	91.45	82.70	100	50.01

Part-"B": Associates and Joint Ventures

Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Particulars	Meghana Vyapar Pvt. Ltd.	Kecons Tradecare Pvt. Ltd.
1	Latest Audited Balance Sheet Date	31.03.2018	31.03.2018
2	Shares of Associate held by the Company on the Year end	100000	7407500
3	Amount of Investment in Associate		
4	Extent of Holding %	33.51	47.41
5	Description of how there is significant influence	33.51% of Share Holding gives equal right to exercise the power	47.41% of Share Holding gives equal right to exercise the power
6	Reason why the Associate is not Consolidated		
7	Net-worth attributable to shareholding as per latest audited Balance Sheet		
8	Profit/(Loss) for the year		
	i. Considered in Consolidation	NA	NA
	ii. Not Considered in Consolidation	NA	NA

Joint Ventures

Sl. No.	Name of Joint Ventures	MJSJ Coal Ltd.	Kalinga Energy & Power Limited
1	Latest Audited Balance Sheet Date	31.03.2018	31.03.2018
2	Shares of Joint Venture held by the Company on the year end	8559000 Equity Shares of Rs. 10/- each	125000 Equity Shares of Rs 10/- each
3	Amount of Investment in Joint Venture	-	Rs1250000
4	Extent of Holding %	9.00%	49.6%
5	Description of how there is significant influence	9% of Share Holding gives equal right to exercise the power	Common Director
6	Reason why the Joint Venture is not consolidated	Not Applicable	Not Applicable
7	Net-worth attributable to shareholding as per latest Audited Balance Sheet	94,08,68,000	
8	Profit/(Loss) for the year	Nil	
	i. Considered in consolidation	NA	NA
	ii. Not considered in consolidation	NA	NA

D (ii)

Particulars of contracts/arrangements entered into by the company with related parties

FORM No.AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1	Details of contracts or arrangements or transactions not at arms - length basis: None
2	Details of material contracts or arrangements or transactions at arm length basis during the year;

Sl. No.	Name (S) of the related party	Nature of relationship	Amount	Nature of Contracts/ Arrangements/ Transactions	Duration of Contracts/ arrangements/ Transactions	Salient features of contracts/Arrangements/ Transactions, Including value, if any	Date(s) of approval by the Board/Audited Committee
1	Shyam Sel & Power Ltd.	Subsidiary Company	453.92	Sale of goods	Ongoing	Not exceeding 300 lacs	21.04.2017
2	Shyam Ferro Alloys Ltd.	Enterprises over which Key Management Personnel and / or their relatives have significant influence	1.12	Sale of goods	Ongoing	Not exceeding 200 lacs	21.04.2017
3	Shyam Sel & Power Ltd.	Subsidiary Company	0.03	Commission	Ongoing	Not exceeding 0.05 million	21.04.2017
4	Shyam Sel & Power Ltd.	Subsidiary Company	21.86	Sale of Licence	Ongoing	Not exceeding 30.00 million	21.04.2017
5	Shyam Sel & Power Ltd.	Subsidiary Company	820.39	Purchase of goods	Ongoing	Not exceeding 1500 million	21.04.2017
6	Damodar Alluminium Private Limited	Subsidiary Company	11.69	Purchase of investment	Ongoing	Not exceeding 15.00 million	21.04.2017
7	Shyam Ore (Jharkhand) Private Limited	Subsidiary Company	1.59	Purchase of investment	Ongoing	Not exceeding 5.00 million	21.04.2017
8	Damodar Allumiium Private Limited	Subsidiary Company	11.69	Purchase of investment	Ongoing	Not exceeding 15.00 million	21.04.2017
9	Meghna Vyapaar Private Limited	Associates Company	404.18	Purchase of investment	Ongoing	Not exceeding 400.00 million	21.04.2017

Sl. No.	Name (S) of the related party	Nature of relationship	Amount	Nature of Contracts/ Arrangements/ Transactions	Duration of Contracts/ arrangements/ Transactions	Salient features of contracts/Arrangements/ Transactions, Including value, if any	Date(s) of approval by the Board/Audited Committee
10	Shyam Sel & Power Ltd. (Net)	Subsidiary Company	3978.32	Advances given	Ongoing	Not exceeding 4000.00 million	21.04.2017
11	Shyam Emco Infrastructure Limited.	Enterprises over which Key Management Personnel and / or their relatives have significant influence	35.35	Advances given	Ongoing	Not exceeding 50.00 million	21.04.2017
12	Shyam Ferro Alloys Ltd. (Net)	Enterprises over which Key Management Personnel and / or their relatives have significant influence	0.05	Advances given	Ongoing	Not exceeding 1.00million	21.04.2017
14	Shyam Emco Infrastructure Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influence	35.35	Advances received back	Ongoing	Not exceeding 50.00 million	21.04.2017
15	Shyam Sel & Power Limited	Subsidiary Company	3578.52	Advances received back	Ongoing	Not exceeding 5000 million	21.04.2017

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Shyam Metalics and Energy Ltd.
83, Topsia Road, "Trinity Tower", 7th Floor
Kolkata - 700046

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shyam Metalics and Energy Ltd. ("the Company"). The secretarial audit was conducted 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 authorised 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 March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of –
   - The Companies Act, 1956 and The Companies Act, 2013 and the Rules made under that Act;
   - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act; Not Applicable (The Company is not a member/registered with any recognized Stock Exchange;
   - The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
   - The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB);
   - The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to unlisted public companies:

   I have also examined compliance with the applicable clauses of the following:
   - Environment (Protection) Act, 1986 and the Rules made thereunder;
   - Industries (Development and Regulation) Act, 1951 and the Rules made thereunder;
   - Labour laws
   - The Memorandum and Articles of Association.
   - Secretarial Standards issued by the Institute of Company Secretaries of India
2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the Memorandum and Articles of Association of the Company, with regard to:
   (a) maintenance of various statutory registers and documents and making necessary entries therein;
   (b) closure of the Register of Members / Debenture holders;
   (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
   (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
   (e) notice of Board meetings and Committee meetings of Directors;
   (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
   (g) the Annual General Meeting held on 26th September, 2017;
   (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
   (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
   (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;

(k) payment of remuneration to Directors including the Managing Director and Whole-time Directors;

(l) appointment and remuneration of Auditors, Cost Auditors and Internal Auditors;

(m) transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;

(n) borrowings and registration, modification and satisfaction of charges wherever applicable;

(o) investment of the Company's funds including inter-corporate loans and investments and loans to others;

(p) giving guarantees in connection with loans taken by subsidiaries;

(q) allotment of equity shares of the Company;

(r) Directors' report;

(s) contracts, common seal, registered office and publication of name of the Company; and

(t) generally, all other applicable provisions of the Act and the Rules made under the Act.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

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.

3. I further report that:

(a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;

(b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

(c) the Company has obtained all necessary approvals under the various provisions of the Act; and

(d) there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, and Rules, Regulations and Guidelines framed under these Acts against/on the Company, its Directors and Officers.

4. I further report that:

a) The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act during the year under review.

b) As per the information received and explanation provided by the management, the Company has duly complied with the provisions of the Environment (Protection) Act, 1986 and the Rules made thereunder.

c) Based on the information received, the Company has duly complied with the provisions of the Industries (Development and Regulation) Act, 1951 and the Rules made thereunder with regard to licence for industrial undertaking and approval for level of production and installed capacity.

d) Based on the information received and the explanations provided by the management, the Company has complied with the provisions of Labour laws viz. Prohibition of Child Labour Act, 1986, The Contract Labour Regulation and Abolition Act, 1970, Employees Provident Fund Act, 1952, ESI. Minimum Wages Act 1948, Industrial Disputes Act, 1947, Factories Act, 1948 and other laws as may be applicable.

5. I further report that based on the information received and records maintained 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.

MURARI PASAYAT
Partner
DS & ASSOCIATES LLP
Practising Company Secretaries, M. No: 32664
Certificate of Practice No. 12963

Place: Kolkata
Date: 15.05.2018

N.B: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Nomination and Remuneration Policy

Legal Framework

In an endeavor to make the hiring of Directors, KMP & other senior official more transparent, the Companies Act, 2013 ('Act') requires the Company to have a Nomination & Remuneration Policy for, inter-alia, setting up the criteria of nomination of directors, Key Managerial Personnel & Senior Management and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The constitution of Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the rules there under.

Definitions

For the purpose of this Policy:

- 'Act' shall mean the Companies Act, 2013;
- 'Board' shall mean the Board of Directors of Shyam Metalics & Energy Limited;
- 'Committee' shall mean the Nomination and Remuneration Committee of the Company, constituted and re constituted by the Board from time to time;
- 'Company' shall mean Shyam Metalics & Energy Limited;
- 'Directors' shall mean the directors of the Company;
- 'Independent Director' shall mean a director referred to in Section 149 (6) of the Companies Act, 2013;
- 'Key Managerial Personnel (KMP)' shall mean the following:
    (i) Chairman and Managing Director
    (ii) Chief Financial Officer (CFO);
    (iii) Company Secretary (CS);
    (iv) Such other officer as may be prescribed.
- 'Senior Management' shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

OBJECTIVE & PURPOSE

The objective and purpose of this Policy is as follows:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of Directors, Key Managerial personnel and Other employees.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the steel industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

SCOPE OF THE POLICY

The policy shall be applicable to the following in the Company:

- Directors
- Key Managerial Personnel (KMP)
- Senior Management
- Other employees of the Company

CONSTITUTION

- The Board shall determine the membership of the Committee.
- The Committee will comprise at least three members of non- executive directors, a majority of whom shall be independent directors.
- One of the independent non-executive directors shall be designated by the Board to serve as the Committee's Chairman.
- The present composition of the Committee is:

S.No.	Name	Designation	Profile
1.	Mrs. Kiran Vimal Agarwal	Member	Non-Executive Director
2.	Mr. Venkata Rao Nageswara Majji	Member	Independent Director
3.	Mr. Debasish Bandyopadhaya	Member	Independent Director

Nomination and Remuneration committee is reconstituted as on 15.05.2018 and composition are as follow

Mr Ajay Choudhury (Independent Director) : Chairman

MS Rupanjana De (Indpendent Director) : Member

Mr Mahabir Prasad Aagarwal (Non Executive Chariman) : Member

1. Appointment criteria and qualifications:

1.1 Letter of appointment shall be issued based on the recommendations of the Committee on the basis of the guidelines for the same under the Companies Act, 2013 or the Company Internal policy.

1.2 The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs & Senior Management.

1.3 A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.

1.4 The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria'. The indicative form to be filled out is placed as Annexure 1 to this Policy.

1.5 The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

1.6 The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, members of senior management, and KMP;

1.7 The Committee shall making recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provision of the law and their service contract.

1.8 The Committee shall recommend any necessary changes to the Board.

2. Term / Tenure:

2.1 Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Chairman & Managing Director, Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

2.2 Independent Director

An Independent Director shall hold office for a term up to five years (unless appointed for a shorter term) on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re- appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company. The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

3. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director, KMP or senior management personnel or functional heads, subject to the provisions and compliance of the Act, rules and regulations.

4. Retirement

The director, KMP, senior management & functional heads shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMPs & Senior Management even after attaining the retirement age, for the benefit of the Company.

5. Diversity on the Board of the Company

The Company aims to enhance the effectiveness of the Board by diversifying it and obtain the benefit out of it by better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

The Policy shall conform to the following two principles for achieving diversity on its Board:

Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and

For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination based on the following factors:

Gender - The Company shall not discriminate on the basis of gender in the matter of appointment of director on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board.

Age - Subject to the applicable provisions of Companies Act, 2013, age shall be no bar for appointment of an individual as director on the Board of the Company.

Nationality and ethnicity - The Company shall promote having a boardroom comprising of people from different ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;

Physical disability - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on Company's Board, if he/she is able to efficiently discharge the assigned duties.

Educational qualification- The proposed candidate shall possess desired team building traits that effectively contribute to his/ her position in the Company. The Directors of the Company shall have a mix of finance, legal and management background, that taken together, provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, and investment.

6. Remuneration

6.1 In discharging its responsibilities, the Committee shall have regard to the following Policy objectives:

To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;

To attract and retain competent executives;

To plan short and long-term incentives to retain talent;

To ensure that any severance benefits are justified.

6.2 The remuneration/ compensation/ commission etc. to the whole-time director, KMP and senior management &other employees will be determined by the Committee and recommended to the Board for approval.

6.3 The remuneration to be paid to the CMD shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.

6.4 Increments to the existing remuneration/compensation structure of the Senior Management excluding the Board of Directors comprising of members of Management one level below the Executive Directors, including the Functional Heads will be decided by the Chairman & Managing Director.

6.5 Remuneration to Whole-time/ Managing Director, KMP, senior management;

6.5.1 Fixed pay:

The MD / KMP and senior management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and the shareholders wherever applicable. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses, club fees and other perquisites shall be decided and approved by the Board on the recommendation of the Committee.

6.5.2 Minimum Remuneration:

If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its MD in accordance with the provisions of Schedule V of the Companies Act, 2013 and if the Company is not able to comply with such provisions, previous approval of the Central Government shall be required to be obtained.

6.6 Remuneration to Non- Executive / Independent Director:

6.6.1 Remuneration : The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and with the provisions of Companies Act, 2013 along with the rules made there under.

6.6.2 Sitting Fees: The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the limits prescribed under Companies Act 2013.

For and on behalf of the Board

	Brij Bhushan Agarwal	**Sanjay Kumar Agarwal**
Date : 15th May, 2018	Managing Director	Director
Place: Kolkata	(DIN: 01125056)	(DIN: 00232938)

TO THE MEMBERS OF
SHYAM METALICS AND ENERGY LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Shyam Metalics and Energy Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. 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; 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the change in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor’s Report) Order, 2016 (“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.

II. 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 and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. (Refer Note 39 to the standalone Ind AS financial statements)

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

For, **S. K. Agrawal & Co.**
Chartered Accountants

Vivek Agarwal
Partner
Membership No.: 301571

Place: Kolkata
Dated: 15-05-2018

The Annexure referred to in our report to the members of Shyam Metalics and Energy Limited (‘the Company’) on the standalone Ind AS financial statements for the year ended on 31st March 2018. We report that:

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the Management during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to information and explanations given to us and on the basis of our examination of the records produced before us, the title deeds of all the immovable properties are held in the name of the Company.

ii. According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification.

iii. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, Clauses (iii) (a) and clause (iii) (b) and clause (iii) (c) of paragraph 3 of the order is not applicable.

iv. Based on our audit procedure and on the basis of information and explanations given to us by the management, we are of opinion that the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public during the year. Accordingly, clause (v) of paragraph 3 of the order is not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

vii. According to the information and explanations given to us in respect of statutory and other dues:-

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, details of dues of Income Tax and Service Tax which have not been deposited as on 31st March, 2018 on account of dispute are given below:

Particulars	Financial year to which the matter pertains	Forum where matter is pending	Amount (Rs. In Lakhs)
Customs Act, 1962	*2013-14*	*Comm. Appeals*	*4.63*
	2013-14, 2016-17	*CESTAT*	*2.34*
	2016-17	*Assistant Commissioner*	*0.07*
		Total	*7.04*
Service tax (The Finance Act, 1994)	*2014-15*	*Comm. Appeals*	*0.41*
	2014-15	*Joint Commissioner*	*0.58*
	2016-18	*Assistant Comm.*	*0.39*
		Total	*1.38*

Particulars	Financial year to which the matter pertains	Forum where matter is pending	Amount (Rs. In Lakhs)
The Central Excise Act, 1994	*2008-09*	*High Court*	*0.37*
	2008-09, 2009-10, 2010-11	*CESTAT*	*28.38*
	2011-12, 2015-16, 2016-17	*Additional Commissioner*	*16.49*
		Total	*45.24*

viii. On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to Banks and financial institution.

ix. The Company did not raise any money by way of initial public officer and further public offer (including debt instrument) during the year. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were applied for the purpose for which the loans were obtained.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with requisite approvals mandated by the Schedule V to the Companies Act, 2013.

xii. To the best of our knowledge and belief and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 187 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has made preferential allotment of shares during the year by complying all the requirements of sections 42 of the Companies Act, 2013 and the amount raised has been used for the purpose for which the funds raised.

xv. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not entered into non-cash transactions with the directors or persons as per section 192 of the Companies Act, 2013. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.

xvi. According to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi) of paragraph 3 of the Order is not applicable.

For, **S. K. Agrawal & Co.**
Chartered Accountants

Vivek Agarwal
Partner
Membership No.: 301571

Place: Kolkata
Dated: 15-05-2018

Report on the Internal Financial Controls 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 to the extent records available with us in Conjunction with our audit of the standalone Ind AS financial statements of the company as of and for the year ended 31st March 2018.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the 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 31 March 2018, based on the internal control over financial reporting criteria established by the Company.

For, **S. K. Agrawal & Co.**
Chartered Accountants

Vivek Agarwal
Partner
Membership No.: 301571

Place: Kolkata
Dated: 15-05-2018

Particulars		Note no.	As at 31st March, 2018	As at 31st March, 2017
Assets				
Non-Current Assets				
a)	Property, Plant and Equipment	3	7,667.34	6,662.87
b)	Capital work-in-progress	4	371.06	1,732.30
c)	Intangible assets	5	4.48	6.06
d)	Financial Assets			
	i) Investments	6	7,642.36	5,164.52
	ii) Other Financial assets	7	34.82	73.24
e)	Other non-current assets	8	355.77	206.20
			16,075.83	**13,845.19**
Current Assets				
a)	Inventories	9	2,310.32	1,620.25
b)	Financial assets			
	i) Investments	10	548.59	150.23
	ii) Trade receivables	11	2,074.84	1,389.12
	iii) Cash and Cash equivalents	12	23.27	223.61
	iv) Other Bank balances	13	227.61	216.67
	v) Loans	14	14.65	70.35
	vi) Other financial asset	15	150.55	233.38
c)	Other current assets	16	1,092.82	1,513.90
			6,442.65	**5,417.51**
	Total Assets		**22,518.48**	**19,262.70**
Equity and Liabilities				
Equity				
a)	Equity Share Capital	17	467.22	467.22
b)	Other Equity	18	15,149.40	12,318.96
			15,616.62	**12,786.18**
	Non-Current Liabilities			
a)	Financial liabilities			
	i) Borrowings	19	1,271.13	1,062.96
	ii) Others financial liabilities	20	85.10	140.70
b)	Provisions	21	30.83	556.28
c)	Deferred tax liabilities (Net)	22	126.55	1,390.83
d)	Other non-current liabilities	23	721.16	62.92
			2,234.76	**3,213.68**
Current Liabilities				
a)	Financial liabilities			
	i) Borrowings	24	1,725.88	1,480.03
	ii) Trade Payables	25	1,775.74	634.11
	iii) Other financial liabilities	26	387.45	602.13
b)	Other current liabilities	27	762.16	499.31
c)	Provisions	28	2.79	1.86
d)	Current Tax Liabilities (Net)	29	13.08	45.41
			4,667.10	**3,262.84**
	Total Equity and Liabilities		**22,518.48**	**19,262.70**
	Significant Accounting Policies	2		
	Notes Forming Part of the Financial Statements	**1 to 61**		

As per our report of even date attached.

For, **S. K. Agrawal & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

	Particulars	Notes	31st March, 2018	31st March, 2017
	INCOME			
I	Revenue from operations	30	17,745.17	11,577.75
II	Other Income	31	302.97	365.19
III	**Total Income(I+II)**		**18,048.14**	**11,942.95**
IV	**EXPENSES**			
	Cost of materials consumed	32	10,381.09	6,990.22
	Purchases of stock-in-trade		789.40	102.15
	Excise Duty		521.60	928.31
	Change in inventories of finished goods, stock in trade and WIP	33	(309.53)	(128.58)
	Employee benefits expense	34	625.29	382.33
	Finance costs	35	254.30	254.92
	Depreciation and amortisation expense	36	989.64	945.92
	Other expenses	37	2,766.09	2,059.98
V	**Total Expense (IV)**		**16,017.88**	**11,535.25**
VI	**Profit/(loss) before tax (III-V)**		2,030.26	407.70
VII	Tax expense:	38		
	(i) Current tax		480.00	135.00
	(ii) Deferred tax		(1,268.15)	(237.68)
VIII	Profit/(loss) for the period (VI-VII)		**2,818.41**	**510.37**
IX	**Other comprehensive income**			
	(i) Income tax relating to items that will be reclassified to profit and loss		-	-
	- Remeasurement of Defined Benefit Plan		4.82	(0.30)
	- Gains and losses from investments in equity instruments			
	designated at fair value through other comprehensive income;		11.07	2.87
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.87)	(2.87)
	Other comprehensive income for the year		12.02	(0.30)
X	**Total Comprehensive Income for the period (VIII+IX)**		**2,830.44**	**510.07**
	(Comprising Profit /(Loss) and Other Comprehensive Income for the period)			
XI	**Earning per Equity Share of Rs 10 each (in INR)**			
	Basic & Diluted EPS	39	60.32	10.92
	Significant Accounting Policies	2		
	Notes Forming Part of the Financial Statements	**1 to 61**		

As per our report of even date attached.

For, **S. K. Agrawal & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
A.	**Cash flow from operating activities:**		
	Profit before tax	2,030.26	407.70
	Add: Adjustment for Non-Cash Non-operating items		
	Depreciation	989.64	945.92
	Deferred Tax	1,268.15	-
	Gain From Fair Valuation of Equity Instruments carried at FVTOCI	7.20	-
	Gain from Remeasurement of the net defined benefit plans	4.82	-
	Irrecoverable Debts, Claims and Advances Written Off	102.25	14.14
	Unspent Liabilities written back and Unclaimed Balances adjusted	(59.81)	(19.10)
	Unrealised Foreign Exchange Fluctuations	(107.08)	(39.26)
	Gain on derivative contracts (including provision for mark-to-market losses)	-	(4.22)
	Interest Income	(26.69)	(47.66)
	Interest & Finance charges	254.30	254.92
		4,463.05	**1,512.44**
	Operating profit before working capital changes		
	Adjustments for movement in:		
	(Increase)/Decrease in Trade Recievables	(787.97)	(769.55)
	(Increase)/Decrease in Inventories	(690.07)	(502.28)
	(Increase)/Decrease in Short term Loans and advances	0.02	(134.87)
	(Increase)/Decrease in Other current assets	410.14	(300.88)
	(Increase)/ Decrease in other non-current assets	(149.57)	694.39
	(Increase)/ Decrease in other financial asset(long term)	38.42	(21.75)
	(Increase)/ Decrease in other financial asset(short term)	82.83	(119.94)
	Increase/ (Decrease) in other financial liability(short term)	(214.67)	(48.03)
	Increase/ (Decrease) in other financial liability(long term)	(55.61)	50.09
	Increase/ (Decrease) in other Current liabilities	(1,055.90)	378.42
	(Increase)/ Decrease in other non-current liabilities	658.24	(131.88)
	(Increase)/ Decrease in long term provisions	(525.45)	4.14
	(Increase)/ Decrease in short term provisions	(31.40)	(2.38)
	Increase/(Decrease in Trade Payables	1,308.52	825.40
	Cash flow from operating activities before taxes	**(1,012.47)**	**(79.14)**
	Income taxes paid (including taxes deducted at source)	(425.55)	(88.01)
	Net cash flow from operating activities (A)	**3,025.03**	**1,345.28**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 *(Contd.)*

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
B.	**Cash flow from investing activities:**		
	Purchase of Property plant & Equipment (including capital advances and creditors for capital goods)	(631.28)	(595.83)
	Purchase of Investments	(4,826.72)	(886.09)
	Sale of Investments	1,950.52	580.69
	Loans Given	(10.50)	(190.00)
	Loans Received back	66.19	150.73
	Interest received	26.69	46.34
	Net cash used in investing activities (B)	**(3,425.11)**	**(894.16)**
C.	**Cash flow from financing activities:**		
	Interest paid	(254.30)	(257.50)
	Proceeds from issue of share capital	-	69.75
	Proceeds from long-term borrowings	220.47	687.27
	Repayment of long-term borrowings	(12.30)	(750.90)
	Increase in Short Term Borrowings	245.86	(78.49)
	Net cash used in financing activities (C)	**199.73**	**(329.88)**
	Net increase in cash and cash equivalents	**(200.34)**	**121.24**
	Cash and cash equivalents at the beginning of the year	223.61	102.37
	Closing cash and cash equivalents	**23.27**	**223.61**

As per our report of even date attached.

For, **S. K. Agrawal & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital

For the year ended 31st March, 2018 (₹ in millions)

Balance as at 31st March, 2017	Changes in Equity Share Capital during the year	Balance as at 31st March, 2018
467.22	-	467.22

For the year ended 31st March, 2017 (₹ in millions)

Balance as at 01st April, 2016	Changes in Equity Share Capital during the year	Balance as at 31st March, 2017
432.61	34.61	467.22

B. Other Equity

Particulars	Reserves and Surplus				Share Application pending allotment	Equity instruments through OCI	Remeasurement of the net defined benefit plans	Total equity attributable to equity share holders of the company
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves				
Balance as at 1st April, 2017	3,650.36	7,730.06	721.79	11.00	-	200.25	(0.03)	12,318.96
Profit for the year	-	2,818.41	-	-	-	-	-	2,818.41
Other comprehensive income	-	-	-	-	-	7.20	4.82	12.02
Balance as at 31st March, 2018	**3,650.36**	**10,548.47**	**721.79**	**11.00**	**-**	**207.45**	**4.79**	**15,149.40**
Balance as at 1st April, 2016	3,584.36	7,215.43	721.79	15.26	30.86	200.25	0.28	11,768.21
Profit / (Loss) for the year	-	510.37	-	-	-	-	-	510.37
Issue of shares	66.00	-	-	-	(30.86)	-	-	35.14
Other Comprehensive Income	-	-	-	-	-	-	(0.30)	(0.30)
Transfer from Other Reserve	-	4.26	-	(4.26)	-	-	-	-
IND as adjustted	-	-	-	-	-	-	-	5.54
Balance as at 31st March, 2017	**3,650.36**	**7,730.06**	**721.79**	**11.00**	**-**	**200.25**	**(0.03)**	**12,318.96**

As per our report of even date attached.

For, **S. K. Agrawal & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

1. **Company Overview**

Shyam Metalics 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 it presence in wind power sector in the state of Maharashtra.

2. **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**

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest millians, except otherwise stated.

c. **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.

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.

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

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

All other assets are classified as non-current.

A liability is current when:

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

The 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. Use of estimates and critical accounting judjements

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 recognised 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.

f. 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.

g. 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

On the date of transition to Ind AS, that the Company had elected to continue with carrying value of all its intangible assets as of 1st April, 2015 measured as per the previous GAAP to be its deemed cost.

h. 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, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives as per the useful life prescribed in Schedule II to the Companies Act, 2013, 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. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The 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.

i. 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.

j. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

(i) Operating lease – Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

(ii) Finance lease – Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

The Company as lessor

(i) Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

(ii) Finance lease – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

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.

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 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.

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

Offsetting financial instruments

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

l. Employee benefits

Short term obligations

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

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the 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

Raw materials, stores and spares & traded goods are valued at lower of cost and net realizable value. However, material and other items held for use in the production of finished goods are not written down below cost if the finished products, in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods is determined on weighted average basis.

By-products are valued at estimated net realizable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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 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 wherethe Companyis 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.

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

Current and deferred tax for the year

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

r. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government like GST.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Conversion Income

Revenue from sale of service is recognised when all the significant risk and rewards of ownership has been transferred to the buyer usually when the delivery of goods after due process of conversion takes place. Revenue is booked as per agreement with party.

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.

s. 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.

t. 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.

u. 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.

v. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

w. 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.

x. 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.

y. 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.

z. Investment in subsidiaries and associates

Investment in subsidiaries and associates are shown at deemed cost except investment in one subsidiary (refer note 57). 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.

aa. Effective interest method

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

ab. Expected Credit Loss

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in millions)

3. Property, Plant and Equipment

Description	Gross block				Accumulated depreciation				Net block
	1st April 2017	Additions	Disposals/ Adjustments	31st March 2018	1st April 2017	Additions	Disposals/ Adjustments	31st March 2018	31st March 2018
Freehold Land	404.02	-	-	404.02	-	-	-	-	404.02
Leasehold Land	204.13	-	-	204.13	4.81	2.40	-	7.21	196.91
Buildings	1,804.37	485.85	-	2,290.22	309.15	167.23	-	476.37	1,813.85
Plant and Equipment	6,356.34	1,494.82	-	7,851.16	1,803.90	814.19	-	2,618.09	5,233.06
Furniture and Fixtures	1.49	2.95	-	4.44	0.85	0.30	-	1.15	3.29
Vehicles	16.73	5.64	-	22.37	6.15	2.56	-	8.71	13.65
Office Equipment	1.17	2.72	-	3.88	0.52	0.81	-	1.33	2.55
Total	**8,788.25**	**1,991.96**	**-**	**10,780.21**	**2,125.38**	**987.49**	**-**	**3,112.87**	**7,667.34**

Description	Gross block				Accumulated depreciation				Net block
	1st April 2016	Additions	Disposals/ Adjustments	31st March 2017	1st April 2016	Additions	Disposals/ Adjustments	31st March 2017	31st March 2017
Freehold Land	404.02	-	-	404.02	-	-	-	-	404.02
Leasehold Land	204.13	-	-	204.13	2.40	2.40	-	4.81	199.32
Buildings	1,664.66	139.71	-	1,804.37	157.95	151.20	-	309.15	1,495.23
Plant and Equipment	6,175.83	180.52	-	6,356.34	1,016.67	787.23	-	1,803.90	4,552.44
Furniture and Fixtures	1.47	0.02	-	1.49	0.52	0.33	-	0.85	0.64
Vehicles	21.50	2.03	6.79	16.73	9.87	2.66	6.38	6.15	10.58
Office Equipment	1.06	0.10	-	1.17	0.37	0.16	-	0.52	0.64
Total	**8,472.67**	**322.38**	**6.79**	**8,788.25**	**1,187.77**	**943.98**	**6.38**	**2,125.38**	**6,662.87**

4. Capital Work -in- Progress

Description	1st April, 2017	Additions	Disposals/ Adjustments	31st March, 2018
Buildings	513.98	24.83	485.85	52.96
Plant & equipments	1218.33	591.74	1,491.96	318.10
Total	**1,732.30**	**616.56**	**1,977.81**	**371.06**

Description	1st April, 2016	Additions	Disposals/ Adjustments	31st March, 2017
Buildings	244.87	269.11	-	513.98
Plant & equipments	931.43	286.90	-	1,218.33
Railway Siding	290.60	29.62	320.22	-
Total	**1,466.90**	**585.63**	**320.22**	**1,732.30**

Refer note 40 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Property Plant and Equipment pledged as security

Refer note 19 & 24 for information on property, plant and equipment pledged as security by the Company.

5. Intangible Assets

Description	Gross block			Accumulated ammortisation			Net block
	1st April 2017	Additions	31st March 2018	31st March 2017	Additions	31st March 2018	31st March 2018
Computer Softwares	9.83	0.56	10.39	3.76	2.15	5.91	4.48
Total	**9.83**	**0.56**	**10.39**	**3.76**	**2.15**	**5.91**	**4.48**

Description	Gross block			Accumulated ammortisation			Net block
	1st April 2016	Additions	31st March 2017	31st March 2016	Additions	31st March 2017	31st March 2017
Computer Softwares	9.83	-	9.83	1.83	1.94	3.76	6.06
Total	**9.83**	**-**	**9.83**	**1.83**	**1.94**	**3.76**	**6.06**

6. Non current investments

	Number of shares		Face Value	Value of Shares (₹ in millions)	
	31st March 2018	31st March 2017		31st March 2018	31st March 2017
Investments measured at fair value through profit and loss					
Quoted					
Investments in equity instruments					
Star Ferro & Cement Limited	-	624,000	1	-	87.57
Shyam Century Ferrous Limited	-	11,261,771	1	-	89.53
Manaksia Limited	-	207,135	2	-	14.05
				-	**191.16**
Investments measured at fair value through other comprehensive income					
Unquoted					
Investment in equity instruments					
Shyam Ferro Alloys Limited	490,000	490,000	10	51.35	51.35
Hrashva Storage and Warehouse Private Limited	197,608	197,608	10	6.73	0.39
Dorite Tracon Private Limited	730,000	730,000	10	65.82	64.13
Narantak Dealcomm Limited	1,641,088	1,641,088	10	197.37	228.50
Platinum Minmet Private Limited	9,800	9,800	10	0.94	0.10
Subhlabh Commercials Private Limited	101,350	101,350	10	17.07	1.01
Shubham Capital Private Limited	357,000	357,000	10	41.97	25.14
Sunglow Complex Private Limited	9,800	9,800	10	0.79	0.79
Kolhan Complex Private Limited	27,800	27,800	10	2.50	2.50
Swarnrekha Abasan Private Limited	9,800	9,800	10	1.35	0.91
				385.89	**374.82**
Investments measured at cost/deemed cost					
Unquoted					
Investment in Subsidiaries					
Damodar Aluminium Private Limited	96,000	96,000	10	0.96	0.96
Shyam Business Solutions Private Limited	338,756	338,756	10	3.31	3.31
Singhbhum Steel & Power Private Limited	107,000	107,000	10	1.07	1.07
Renaissance Hydro Power Private Limited	10,000	-	10	0.10	-
Shyam Ores (Jharkhand) Private Limited	13,201	-	10	1.59	-
Shyam Sel & Power Limited	36,491,611	25,131,262	10	7,144.76	4,488.64
				7,151.79	**4,493.98**
Investments in Associates					
Meadow Housing Private Limited	290,000	290,000	10	2.90	2.90
Meghana Vyapaar Private Limited	100,000	100,000	10	1.00	1.00
Kecons Trade Care Private Limited	7,407,500	7,407,500	10	100.00	100.00
				103.90	**103.90**
Investment in Government Securities					
National Saving Certificate (VII Issue)				0.77	0.66
Total				**7,642.36**	**5,164.52**
Aggregate amount of unquoted investments				**7,642.36**	**4,973.36**
Aggregate amount of quoted investments				**-**	**191.16**
Aggregate market value of quoted investments				**-**	**191.16**

7. Other financial assets

	31st March, 2018	31st March, 2017
(Unsecured, considered good)		
Bank deposits for maturity more than 12 months	26.68	65.56
Security deposits (Long Term)	8.14	7.68
Total	**34.82**	**73.24**

8. Other non-current assets

(Unsecured, considered good)		
Capital advances (Long Term)	355.18	195.84
Deposits against demands under dispute	0.60	10.36
Total	**355.77**	**206.20**

9. Inventories

(Valued at lower of Cost and Net Realisable Value, except By-Products)		
Raw Materials	1,192.86	868.17
Work in progress	2.40	3.07
Finished Goods	840.74	579.82
Stores and Spares	201.27	145.41
Traded Goods	-	21.18
By Products	73.05	2.59
Total	**2,310.32**	**1,620.25**

10. Current Investments

	Number of Units		Value of Shares (₹ in millions)	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Investments measured at fair value through profit and loss				
Quoted				
Investment in Mutual Funds				
SBI Magnum Instacash Fund	44,717.43		171.76	-
SBI Treasury Advantage Fund	-	81,203.56	-	150.23
DSP Black Rock Equity Savings Fund	1,706,639.49		19.89	
DSP Black Rock Opportunites Fund	135,375.59		9.58	
ICICI Prudential Mutual Fund Collection	4,167,640.67		69.82	
SBI Arbitrage Opportunity Fund	80,415.51		1.00	
L&T Arbitrage Opportunity Fund	5,101,935.54		50.32	
HDFC Housing Opportunities Fund Series 1	1,000,000.00		9.63	
Birla Sunlife Mutual Fund	76,277.39		1.08	
Kotak Equity Arbitrage Fund	2,175,210.14		51.25	
Bharat 22 ETF	261,120.00		9.13	
SBI Magnum Income Fund	3,447,681.92		50.79	-
Avendus Absolute Return Fund	-		104.34	-
Total			**548.59**	**150.23**
Aggregate amount of quoted investments			548.59	150.23
Aggregate market value of quoted investments			548.59	150.23

11. Trade receivables

	31st March, 2018	31st March, 2017
Unsecured considered good	2,092.00	1,447.05
Less: Allowances for credit losses	(17.16)	(57.93)
Total	**2,074.84**	**1,389.12**

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

12. Cash and cash equivalents

	31st March, 2018	31st March, 2017
Balance with banks - in current account	9.57	195.30
Cash credit account	12.38	26.18
Cash on hand	1.33	2.13
Total	**23.27**	**223.61**

13. Other bank balances

Fixed Deposits held as margin with maturity less than 3 months	127.40	-
Fixed deposits maturity for more than 3 months but less than 12 months	100.21	216.67
Total	**227.61**	**216.67**

14. Loans

(Unsecured, considered good)		
Loan to related parties	-	0.02
Loan to body corporates	14.65	70.34
Total	**14.65**	**70.35**

15. Other financial assets

(Unsecured, considered good)		
Security deposits (Short Term)	67.73	161.10
Interest accrued and due on fixed deposits	4.20	6.99
Earnest money deposit	0.02	1.89
Incentive receivable	78.61	63.40
Total	**150.55**	**233.38**

16. Other current assets

(Unsecured, considered good)		
Advances against goods & expenses	1,050.32	1,251.94
Advances to employees .	10.43	4.25
Balances with statutory authorities	32.06	257.71
Total	**1,092.82**	**1,513.90**

17. Equity share capital

Authorised capital		
76,000,000 (31st March 2017 - 76,000,000) equity shares of ₹ 10 each	760.00	760.00
Total	**760.00**	**760.00**
Issued, Subscribed & Paid-up Capital		
46,722,020 (31st March 2017 - 46,722,020) equity shares of ₹ 10 each	467.22	467.22
Total	**467.22**	**467.22**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

	31st March 2018		31st March 2017	
	No of shares	₹ in millions	No of shares	₹ in millions
Equity shares at the beginning of the year	46,722,020	467.22	43,261,228	432.61
Add: Shares issued during the year	-	-	3,460,792	34.61
Equity shares at the end of the year	46,722,020	467.22	46,722,020	467.22

b) Rights/preferences/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate no. of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

Particulars	31st March 2018	31st March 2017	31st March 2016	31st March 2015	31st March 2014
Opening	8,729,028	5,643,236	5,643,236	-	-
Add: Equity Shares allotted as fully paid up pursuant to contract for consideration other than cash.	-	3,085,792	-	5,643,236	-
Closing	**8,729,028**	**8,729,028**	**5,643,236**	**5,643,236**	-

d) Details of shareholders holding more than 5% shares in the Company

Equity shares of ₹ 10 each fully paid up	As on 31st March 2018		As on 31st March 2017	
	No. of shares	Holding	No. of shares	Holding
Subham Buildwell Private Limited	14,519,450	31.08%	14,519,450	31.08%
Narantak Dealcomm Limited	10,812,668	23.14%	10,812,668	23.14%
Subham Capital Private Limited	8,398,954	17.98%	8,327,954	17.98%
Mr. Brij Bhushan Agarwal	4,683,964	10.03%	4,683,964	10.03%
Dorite Tracon Private Limited	3,039,333	6.51%	3,039,333	6.51%

18. Other Equity

Particulars	Reserves and Surplus				Share Application Pending Allotment	FVTOCI Equity Instruments	Remeasurement of the net defined benefit plans	Total Other Equity
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves				
Balance at 1st April 2017	3,650.36	7,730.06	721.79	11.00	-	200.25	(0.03)	12,318.96
Profit / (Loss) for the year	-	2,818.41	-	-				2,818.41
Other Comprehensive Income						7.20	4.82	12.02
Income tax effect								
Balance at 31st March 2018	**3,650.36**	**10,548.47**	**721.79**	**11.00**	**-**	**207.45**	**4.79**	**15,149.40**
Balance at 1st April 2016	3,584.36	7,213.43	721.79	15.26	30.86	200.25	0.28	11,768.21
Profit / (Loss) for the year	-	510.37	-	-		-		510.37
Issue of shares	66.00				(30.86)			35.14
Other Comprehensive Income	-	-	-	-		-	(0.30)	(0.30)
Income tax effect						-		-
Transfer from Other Reserve		4.26		(4.26)				-
IND AS adjustment		-						5.54
Balance at 31st March 2017	**3,650.36**	**7,730.06**	**721.79**	**11.00**	**-**	**200.25**	**(0.02)**	**12,318.96**

19. Borrowings - Non current

	31st March, 2018	31st March, 2017
(Secured)		
Indian Rupee Loan	1,111.55	634.06
Foreign currency loan	491.12	983.86
Commercial Vehicle Loan	1.67	3.20
	1,604.34	1,621.11
Less: Current Maturities of Long Term debt	333.22	558.16
Total	**1,271.13**	**1,062.96**

Repayment terms and security disclosure for the outstanding long-term borrowings (excluding current maturities) as on 31st March 2018 :

Term loans from banks are secured, in respect of respective facilities by way of :

(i) Nature of security for Secured Borrowings

Term Loans from banks carry interest rates in the range of 4.20% to 12.00% and are secured by way of equitable mortgage of the immovable assets and first charge on the Company's fixed assets, both present and future, ranking pari - passu and second charge on the entire current assets of the company. Further, the term loans are guaranteed by four directors of the company and also corporate guarantee of certain companies.

(ii) Repayment Terms for Secured Borrowings

Type of Loan	31st March 2018	31st March 2017	Rate of Interest	Repayment Schedule
	Loan Amount	Loan Amount		
Term Loan	99.36	117.76	10.95% to 12.00% p.a.	21 quarterly instalments remains balance as on 31st March 2018
Term Loan	1,077.12	-	11.80% p.a.	40 quarterl instalments commencing from 30th June 2018
FCTL - SBI	119.29	151.90	4.20% p.a.	21 quarterly instalments remains balance as on 31st March 2018
ECB Loan	162.50	862.33	4.83% p.a.	10 quarterly instalments remains balance as on 31st March 2018
ECB Loan	144.40	221.02	5.71% p.a.	9 half yearly instalments remains balance on 31st March 2018

20. Other financial liabilities

	31st March, 2018	31st March, 2017
Security deposits received	70.00	137.50
Retention Money	15.10	3.20
Total	**85.10**	**140.70**

21. Provisions - Non Current

Provision for employee benefits - Gratuity	30.83	556.28
Total	**30.83**	**556.28**

22. Deferred tax Liabilites

	31st March, 2018	31st March, 2017
Deferred tax liability arising on account of :		
Fair valuation of investment	1,123.04	1,109.49
Revaluation of fixed assets	837.92	837.92
Effective interest rate adjustment on borrowings	6.90	6.99
Deferred tax assets arising on account of :		
Difference in value of assets as per books and as per tax	(831.78)	128.31
Fair valuation of MF	(0.93)	-
Defined benefit plans	(6.84)	(6.84)
Expenditure allowed for tax purpose on payment basis	(13.89)	(4.40)
	1,114.51	**2,071.47**
Less: Mat credit entitlement	987.96	680.64
Total	**126.55**	**1,390.83**

23. Other non current liabilities

Creditors for capital goods	66.07	62.92
Liability for water charges	655.09	-
Total	**721.16**	**62.92**

24. Borrowings - Current

Secured		
Loans Repayable on Demand		
From banks - Working capital borrowings	-	477.08
Cash credit from Banks	1,521.56	958.60
Other Loans		
Buyers' Credit	204.32	44.35
Total	**1,725.88**	**1,480.03**

Security disclosure for outstanding short-term borrowings:

Borrowings from banks are secured in respect of respective facilities by way of hypothecation of entire current assets of the company and further secured by second charge on fixed assets of the company.

25. Trade payables

	31st March, 2018	31st March, 2017
Due to others	1,775.74	634.11
Total	**1,775.74**	**634.11**

It has been identified that there are no amounts due to Micro & Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006 " on the basis of information available with the Company.

26. Other financial liabilities

Current maturities of long term debts	333.22	558.16
Interest accrued but not due on borrowings	2.00	1.40
Derivative liability	-	0.38
Employee related payables	52.24	42.20
Total	**387.45**	**602.13**

27. Trade payables

	31st March, 2018	31st March, 2017
Statutory dues	110.76	118.91
Advance from customers	651.39	379.60
Trade Deposits	-	0.79
Total	**762.16**	**499.31**

28. Provisions - Current

Provision for Employee Benefits - Gratuity	2.79	1.86
Total	**2.79**	**1.86**

29. Current Tax Liability

Provision for tax	13.08	45.41
Total	**13.08**	**45.41**

30. Revenue from operations

Operating revenue		
- Sale of manufactured products	15,901.78	10,465.90
- Sale of services	981.12	933.31
- Sale of Traded Goods	804.73	102.74
- Sale of Power	37.92	65.85
- By Product	19.48	9.91
- Income from Carbon Credit	0.14	0.03
Total	**17,745.17**	**11,577.75**

31. Other income

Operating Income		
Incentive received	47.16	81.61
Non-Operating Income		
Interest received on financial assets carried at amortised cost		
- Deposits	20.48	16.87
- Loans	6.20	30.78
Profit on sale of investments	49.17	106.41
- Derivative Instruments	-	4.22
Gain from fair valuation of investments carried at fair value through Profit and Loss		
- Mutual Fund	2.39	0.23
- Equity Instruments	-	51.18
Dividend received on mutual fund investments	7.93	2.32
Provision written back as per expected credit loss model	40.77	15.28
Insurance claim received	2.28	1.95
Provision no longer required written back	19.03	3.83
Foreign Exchange Gain Fluctuation Gain / (Loss)	107.08	49.96
Others	0.47	0.57
Total	**302.97**	**365.19**

32. Cost of materials consumed

	31st March, 2018	31st March, 2017
Opening stock	868.17	516.29
Add: Purchases	11,130.29	7,720.03
	11,998.47	**8,236.32**
Less: Sales	424.52	377.93
Less: Closing Stock	1,192.86	868.17
Total	**10,381.09**	**6,990.22**

Purchases of stock in trade, refers to all the purchases of finished goods that the company buys from Shyam Sel and Power Limited towards conducting its business.

33. Changes in inventories

	31st March, 2018	31st March, 2017
Opening Stock		
Finished Goods	579.82	452.06
Work-in-Progress	3.07	2.36
Traded Goods	21.18	
By-Products	2.59	23.67
	606.66	**478.09**
Closing Stock		
Finished Goods	840.74	579.82
Work-in-Progress	2.40	3.07
Traded Goods	-	21.18
By-Products	73.05	2.59
	916.19	**606.66**
(Increase)/ Decrease in Inventories	**(309.53)**	**(128.58)**

34. Employee benefits expense

Salaries and Wages	585.34	362.90
Contribution to provident and other funds**	36.27	18.56
Staff welfare	3.67	0.87
Total	**625.29**	**382.33**

** For descriptive notes on disclosure of defined benefit obligation refer note 41.

During the year the Company recognised an amount of Rs 17.61 millions (31st March 2017 - Rs 10.00 millions) as remuneration to Key Managerial Personnel. The details of such remuneration is as below:

	31st March, 2018	31st March, 2017
Payment to Key Managerial Personnel		
(a) Short-term employee benefits	17.14	9.65
(b) Post-employment benefits	0.26	0.22
(c) Other long-term benefits	0.21	0.13
Total	**17.61**	**10.00**

35. Finance costs

	31st March, 2018	31st March, 2017
Interest Expense		
- On Borrowings	206.01	188.47
Exchange difference to the extent considered as an adjustment to borrowing costs	6.26	11.87
Other Borrowing Costs	42.03	54.57
Total	**254.30**	**254.92**

36. Depreciation and amortisation

	31st March, 2018	31st March, 2017
Depreciation	987.49	943.98
Amortisation	2.15	1.93
Total	**989.64**	**945.92**

37. Other expenses

	31st March, 2018	31st March, 2017
Rent & hire	128.19	56.65
Rates and taxes	610.40	774.67
Power, fuel and electricity	299.73	134.78
Consumption of stores and spares parts	1,029.42	750.15
Repairs		
Building	16.55	12.91
Machinery	55.25	22.29
Others	47.72	16.25
Insurance	8.83	6.49
Commission and brokerage	46.77	-
Advertisement and publicity	3.49	-
Legal and professional fees	30.95	24.87
Charity and donations	1.16	0.02
Loss on sale of fixed assets	-	0.09
Labour charges	181.28	95.96
Freight	113.21	74.89
Payment to auditors	1.36	0.75
Corporate Social Responsibility	-	5.66
Irrecoverable debts, claims and advances written-off	102.25	14.14
Miscellaneous expenses	89.54	69.42
Total	**2,766.09**	**2,059.98**

38. Tax expense

	31st March, 2018	31st March, 2017
i) Current tax		
Current tax	480.00	135.00
Total	**480.00**	**135.00**
ii) Deferred tax		
Deferred tax	(960.82)	(102.68)
Less: Mat Credit	307.33	135.00
Total	**(1,268.15)**	**(237.68)**

39. Earnings per equity share

The Company's Earnings Per Share (EPS) is determined based on the net profit / (loss) attributable to the shareholders of the company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

(₹ in millions)

Descriptions	31st March, 2018	31st March, 2017
Net Profit / (Loss) attributable to equity shareholders		
Profit / (Loss) after tax	2,818.41	510.37
Nominal value of equity share (₹)	10.00	10.00
Weighted-average number of equity shares for basic & Diluted EPS	46,722,020	46,722,020
Basic & Diluted earnings per share (₹)	60.32	10.92

40. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, 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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, 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 judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates relating to the carrying 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 judgement is required in establishing fair values. Judgements 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.

41. Commitments & Contingent Liabilities

(a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for: (₹ in millions)

Descriptions	31st March, 2018	31st March, 2017
Estimated amount of contracts remaining to be executed and not provided for (Net of Advances)	580.97	325.16

(b) Contingent Liabilities

Descriptions	31st March, 2018	31st March, 2017
Unredeemed Bank Guarantees on behalf of the joint venture company	20.02	20.02
Other Unredeemed Bank Guarantees	282.48	259.02
Bills discounted with banks	1,062.91	513.93
Pending Litigations		
i. Excise Duty	45.24	29.42
ii. Service Tax	1.38	1.38
iii. Custom Duty	7.04	6.97
iv. Odisha Entry Tax	-	10.96

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.

(c) Leases

Operating lease commitments - Company as lessee

Certain office premises, guest houses and plant & machineries are obtained on operating lease. There is a lease agreement for a period of 1-3 years for offices and guest houses and are renewable for further period either mutually or at the option of the Company. There is also an escalation clause in certain lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. The leases are cancellable.

The Company has paid ₹ 128.19 millions (31st March 2017 ₹ 56.65 millions) during the year towards minimum lease payment.

Future minimum rentals payables under non-cancellable operating leases at 31st March are as follows: (₹ in millions)

Descriptions	31st March, 2018	31st March, 2017
Within one year	82.10	71.28
After one year but not more than five years	-	0.36
More than five years	-	0.16

Finance lease commitments - Company as lessee

Fixed Assets include certain Plant & Machineries and Vehicles obtained on finance lease. The year-wise break-up and future obligation towards minimum lease payment of ₹ 1.82 millions (31st March, 2017 ₹ 3.59 millions) consisting of present value of lease payments and financial charges of ₹ 1.67 millions (31st March, 2017 ₹ 3.20 millions) and ₹ 0.15 millions (31st March, 2017 ₹ 0.40 millions) respectively under the relevant agreements as on 31st March 2018 is given below:

Future minimum rentals payable under non-cancellable finance leases as at 31st March are, as follows: (₹ in millions)

Particulars	Gross Amount Payable		Present Value	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Within one year	1.11	1.75	0.99	1.70
After one year but not more than five years	0.71	1.84	0.68	1.49

42. Employee Benefit Obligations (₹ in millions)

Particulars	31st March 2018		31st March 2017	
	Current	Non-current	Current	Non-current
Gratuity	2.79	30.83	1.86	556.28
Total	**2.79**	**30.83**	**1.86**	**556.28**

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 for the number of years of service.

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.65 years (31st March 2017 - 5.62 years).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in millions)

Changes in defined benefit obligation	**31st March 2018**	**31st March 2017**
Present value obligation as at the start of the year	19.77	15.16
Interest cost	1.50	1.10
Current service cost	8.41	4.24
Past Service Cost	-	-
Benefits paid	(0.88)	(1.03)
Actuarial loss/(gain) on obligations	4.82	0.30
Transferred from gratuity (funded) to gratuity (non-funded)	-	-
Present value obligation as at the end of the year	**33.62**	**19.77**

(₹ in millions)

Changes in defined benefit obligation	**31st March 2018**	**31st March 2017**
Actuarial (gain)/loss on arising from change in financial assumption	0.28	1.11
Actuarial (gain)/loss on arising from experience adjustment	4.54	(0.82)

(₹ in millions)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets	**31st March 2018**	**31st March 2017**
Present value obligation as at the end of the year	33.62	19.77
Fair value of plan assets as at the end of the year	-	-
Net asset recognized in balance sheet	(33.62)	(19.77)

(₹ in millions)

Amount recognized in the statement of profit and loss	**31st March 2018**	**31st March 2017**
Current service cost	8.41	4.24
Past Service Cost	-	-
Interest cost	1.50	1.10
Expected return on plan assets	-	-
Amount recognised in the statement of profit and loss	9.91	5.34

(₹ in millions)

Amount recognised in the statement of Other Comprehensive Income	**31st March 2018**	**31st March 2017**
Net Cumulative unrecognised actuarial gain/(loss) opening	-	-
Actuarial Gain/(Loss) for the year on PBO	4.82	0.30
Actuarial Gain/(Loss) for the year on Asset	-	-
Unrecognised actuarial Gain/(Loss) at the end of the year	4.82	0.30

Description	**31st March 2018**	**31st March 2017**
Discount rate	7.75% p.a.	7.50% 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 to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability (₹ in millions)

Description	31st March 2018	31st March 2017
Impact of the change in discount rate		
Present value of obligation at the end of the year	33.62	19.77
a) Impact due to increase of 1.00 %	30.68	18.07
b) Impact due to decrease of 1.00 %	37.05	21.75
Impact of the change in salary increase		
Present value of obligation at the end of the year	33.62	19.77
a) Impact due to increase of 1.00 %	37.12	21.75
b) Impact due to decrease of 1.00 %	30.58	18.04

Total expected payments

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.65 years (31st March 2017 - 5.62 years)

43. Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments in equity instruments	-	385.89	7,256.46	191.16	374.82	4,598.54
Investments in mutual funds	548.59	-	-	150.23	-	-
Trade receivables	-	-	2,074.84	-	-	1,389.12
Loans	-	-	14.65	-	-	70.35
Security deposit	-	-	75.87	-	-	168.78
Cash and equivalents	-	-	23.27	-	-	223.61
Other financial asset	-	-	93.25	-	-	76.52
Margin money	-	-	254.29	-	-	282.23
Total	**548.59**	**385.89**	**9,792.64**	**341.38**	**374.82**	**6,809.17**
Financial liabilities						
Borrowings	-	-	3,330.23	-	-	3,101.14
Trade payable	-	-	1,775.74	-	-	634.11
Security deposit	-	-	70.00	-	-	137.50
Derivative financial liabilities	-	-	-	0.38	-	-
Other financial liabilities	-	-	69.33	-	-	46.80
Total	**-**	**-**	**5,245.30**	**0.38**	**-**	**3,919.55**

(a) Fair value hierarchy (₹ in millions)

	31st March 2018	31st March 2017
Financial assets		
Financial investements at FVOCI		
Equity instruments	385.89	374.82
Financial investments at FVTPL		
Equity instruments	-	191.16
Mutual Fund	548.59	150.23
Total financial assets	**934.49**	**716.20**
Financial liabilities		
Derivatives not designated as hedges		
Derivative financial liabilities	-	0.38
Total	**-**	**0.38**

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed

(₹ in millions)

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments						
Mutual funds	548.59	-	-	150.23	-	-
Quoted equity instruments	-	-	-	191.16	-	-
Unquoted equity instruments	-	385.89	-	-	374.82	-
Investments in subsidiaries, associates and joint venture	-	7,255.69	-	-	4,597.88	-
Total financial assets	**548.59**	**7,641.58**	**-**	**341.38**	**4,972.70**	**-**
Financial liabilities						
Borrowings	-	3,330.23	-	-	3,101.14	-
Derivative financial liabilities	-	-	-	-	0.38	-
Total	**-**	**3,330.23**	**-**	**-**	**3,101.52**	**-**

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 millions)

Particulars	31st March 2018		31st March 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Carried at FVOCI				
Investments in equity instruments	374.82	385.89	64.98	374.82
Carried at amortised cost				
Trade receivables	2,074.84	2,074.84	1,447.05	1,389.12
Loans	14.65	14.65	70.35	70.35
Security deposit	75.87	75.87	168.78	168.78
Cash and equivalents	23.27	23.27	223.61	223.61
Other financial asset	93.25	93.25	76.52	76.52
Margin money	254.29	254.29	282.23	282.23
Investments in equity instruments	7,256.46	7,256.46	4,598.54	4,598.54
Carried at FVTPL				
Investments in equity instruments	-	-	94.27	191.16
Investments in mutual funds	546.20	548.59	150.00	150.23
Total financial assets	**10,167.46**	**10,178.53**	**7,026.35**	**7,375.14**

Particulars	31st March 2018		31st March 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Carried at amortised cost				
Borrowings	3,362.86	3,330.23	3,121.32	3,101.14
Trade payable	1,775.74	1,775.74	634.11	634.11
Security deposit	70.00	70.00	137.50	137.50
Other financial liabilities	69.33	69.33	46.80	46.80
Carried at FVTPL				
Derivative financial liabilities	-	-	0.38	0.38
Total financial liabilities	**5,277.93**	**5,245.30**	**3,940.11**	**3,919.93**

Subsequent to March 31, 2018, Shyam Metalics and Energy Limited (SMEL) is in the process of acquiring additional 17.09% of the shares of Shyam SEL and Power Limited (SSPL) from Narantak Dealcom Limited and Dorite Tracon Private Limited. Consequent to the acquisition, SMEL holds almost 100% of SSPL (99.77% directly and 0.23% indirectly held through its subsidiary and nominees).

(c) Fair value measurements

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised 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 categorised as level 2 in the fair value hierarchy.

(v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2018 and 31st March 2017.

44. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investments, loans, trade and other receivables, and cash and 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 millions)

	31st March 2018	31st March 2017
Variable rate borrowings	3,329	3,098
Fixed rate borrowings	-	-

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in millions)

	Effect on Profit before tax	
	31st March 2018	31st March 2017
Increase by 50 basis points (31 March 2017: 50 bps)	(16.64)	(15.49)
Decrease by 50 basis points (31 March 2017: 50 bps)	16.64	15.49

b) Foreign currency risks

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

(₹ in millions)

Nature of Item	Currency	31st March 2018		31st March 2017	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Buyer's Credit	USD ($)	3.14	204.32	0.68	44.35
Creditors	USD ($)	13.78	896.32	3.56	225.96
Debtors	USD ($)	4.01	261.10	9.75	496.94
Term Loan	USD ($)	6.98	453.75	15.17	983.86
Working Capital Demand Loan / Packing Credit	USD ($)	4.55	296.07	6.74	437.22

Nature of Item	Currency	31st March 2018		31st March 2017	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Debtors	EURO	5.12	411.47	0.53	23.05

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.

Particulars	Effect on Profit/(Loss) before tax	
	31st March 2018	31st March 2017
USD Sensitivity		
Increase by 5% (31st March 2017 - 5%)	(1.42)	(1.80)
Decrease by 5% (31st March 2017 - 5%)	1.42	1.80

Particulars	Effect on Profit/(Loss) before tax	
	31st March 2018	31st March 2017
EURO Sensitivity		
Increase by 5% (31 March 2017 - 5%)	0.26	(0.03)
Decrease by 5% (31 March 2017 - 5%)	(0.26)	0.03

c) 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 ₹ 2486.30 millions, as at March 31, 2018, , being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and other financial assets.

d) 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 has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

(i) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. Any Credit risk is curtailed with arrangements with third parties .

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. 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 31 March 2018 and 31 March 2017 is the carrying amount.

e) Derivative financial instruments

Derivative instruments used by the Company include interest rate swaps. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 " Financial Instruments" to the extent possible. The Company does not hold or issue derivative financial instruments for trading purpose. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

(₹ in millions)

Notional Amount	To Pay	To Receive	31st March 2018	31st March 2017
USD 50,00,000	2.39%	3 Months Libor	0.00	40.52
USD 50,00,000	2.33%	3 Months Libor	0.00	40.52
USD 50,00,000	2.28%	3 Months Libor	0.00	40.52

(B) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

(₹ in millions)

Particulars	Upto 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31st March 2018					
Contractual maturities of borrowings	332.22	231.75	518.79	552.54	1,635.30
Contractual maturities of finance lease obligations	0.99	0.61	0.07	-	1.67
Contractual maturities of trade payables	1,775.74	-	-	-	1,775.74

Particulars	Upto 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31st March 2017					
Contractual maturities of borrowings	556.64	407.90	959.22	1,676.83	3,600.60
Contractual maturities of finance lease obligations	1.70	0.78	0.71	-	3.20
Contractual maturities of trade payables	1,172.48	-	-	-	1,172.48

45. Related party disclosure (As per Ind AS-24 - Related Party Disclosures)

(a) Subsidiary Company

Shyam Sel & Power Limited

Damodar Aluminium Private limited

Singhbhum Steel and Power Private Limited

Shyam Business Solutions Private Limited

Shyam Ores (Jharkhand) Pvivate Limited

Rennaisance Hydropower Private Limited

(b) Associates

Meghana Vyapar Private Limited

Kolhan Complex Private Limited

Kecons Trade Care Private Limited

(c) Step-down Subsidiary Company

Hrashva Storage and Warehouse Private Limited

Shyam Energy Limited

Whispering Developers Private Limited

Meadow Housing Private Limited

Taurus Estate Private Limited

(d) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions/ balance during the year:

Platinum Minmet Private Limited

Dorite Tracon Private Limited

Shyam Solar Appliances Private Limited

Godawari Natural Resources Limited

Narantak Dealcomm Limited

Shyam Ferro Alloys Limited

Swarnrekha Abasan Private Limited

Sunglow Complex Private Limited

(e) Key Management Personnel:

Shri Brij Bhushan Agarwal	*Manging Director*
Shri Sanjay Kumar Agarwal	*Director*
Shri Bhagwan Shaw	*Director*
Shri Dev Kumar Tewari	*Director*
Shri Deepak Kumar Agarwal	*Director*
Smt Kirandevi Vimal Agarwal	*Director*
Smt Susmita Roy	*Company Secretary*
Shri Birendra Kumar Jain	*Company Secretary*
Shri Shree Kumar Dujari	*Chief Financial Officer*

(f) Relatives to Key Management Personnel:

Relative's Name	**Relation**
Mr. Mahabir Prasad Agarwal	Father of Mr. Brij Bhushan Agarwal
Mrs Sumitra Devi Agarwal	Mother of Mr. Brij Bhushan Agarwal
Mrs Mittu Agarwal	Wife of Mr. Brij Bhushan Agarwal
Mrs Anita Jhunjhunwala	Daughter of Mahabir Prasad Agarwal
Mrs Bina Devi Agarwal	Wife of Mr. Bajrang Lal Agarwal
Mrs Pooja Agarwal	Wife of Mr. Sanjay Agarwal
Ms. Ayushi Vimal Kumar Agarwal	Sister of Mr. Aditya Vimal Kumar Agarwal
Mr. Aditya Vimal Kumar Agarwal	Son of Mrs Kiran Vimal Kumar Agarwal
Mrs Suman Agarwal	Wife of Mr. Aditya Vimal Kumar Agarwal

Disclosure of Related Party Transactions provides the information about the Company's structure. The following tables provides 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 year ended 31st March 2018,. the Company has not recorded any impairment of receivables relating to amounts owned by related parties (31st March 2017: 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 *(Contd.)*

(₹ in millions)

Type of Tranactions	Subsidiary Companies		Enterprises over which Key Management Personnel and / or their relatives have significant influence		TOTAL	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1. Sale of Goods						
Shyam Sel and Power Limited	**453.92**	**409.31**	**-**	**-**	**453.92**	**409.31**
Shyam Ferro Alloys Limited	**11.22**	**52.25**	**-**	**-**	**11.22**	**52.25**
2. Commission (Income)						
Shyam Sel and Power Limited	**0.25**	**1.10**	**-**	**-**	**0.25**	**1.10**
3. Sale of Licence						
Shyam Sel and Power Limited	**21.86**	**19.93**	**-**	**-**	**21.86**	**19.93**
4. Purchase of Licence						
Shyam Sel and Power Limited	**-**	**7.88**	**-**	**-**	**-**	**7.88**
5. Purchase of Goods						
Shyam Sel and Power Limited.	**820.39**	**1,406.64**	**-**	**-**	**820.39**	**1,406.64**
Shyam Ferro Alloys Limited.	-	14.28	-	-	-	14.28
Shyam Solar Appliance Private Limited	-	0.06	-	0.06	-	0.11
6. Rent Paid (Net of TDS)						
Hrashva Storage and Warehousing Private Limited	0.22	-	-	-	0.22	-
Shyam Sel and Power Limited	-	0.11	-	-	-	0.11
7. Remuneration						
Mr. Brij Bhusan Agarwal	7.41	3.60	-	-	7.41	3.60
Mr. Sanjay Agarwal	3.78	1.80	-	-	3.78	1.80
Mr. Dev Kumar Tiwari	1.04	0.98	-	-	1.04	0.98
Mr. Bhagwan Shaw	0.23	0.33	-	-	0.23	0.33
Add : Advance Salary	0.02	-	-	-	0.02	-
Mrs. Susmita Roy	0.18	0.24	-	-	0.18	0.24
Mr. Sree Kumar Dujari	1.42	1.16	-	-	1.42	1.16
Mr. Deepak Kumar Agarwal	1.62	-	-	-	1.62	-

8. Purchase of Investments

Type of Tranactions	Subsidiary Companies		Enterprises over which Key Management Personnel and / or their relatives have significant influence		TOTAL	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Shyam Ores Jharkhand	1.59	-	-	-	1.59	-
Shyam Sel and Power Limited	-	380.00	-	-	-	380.00
Subhlabh Commercials Private Limited	49.19	-	-	-	49.19	-
Damodar Aluminium Private Limited	11.69	-	-	-	11.69	-
Platinum Minmet Private Limited	1.40	-	-	-	1.40	-
Narantak Dealcomm Limited	411.96	-	-	-	411.96	-
Shyam Solar Appliance Private Limited	9.21	-	-	-	9.21	-
Meghna Vyapaar Private Limited	104.18	-	-	-	104.18	-
Subham Capital Private Limited	361.11	-	-	-	361.11	-
9. Share Application Money Received						
Shyam Sel and Power Limited	-	0.71	-	-	-	0.71
10. Advances Given						
Shyam Sel and Power Limited	3,978.32	1,995.49	-	-	3,978.32	1,995.49
Shyam Emco Infrastructure Limited	35.35	-	-	-	35.35	-
Shyam Ferro Alloys Limited	0.05	14.69	-	-	0.05	14.69
Shyam Energy Limited	0.00	0.04	-	-	0.00	0.04
Godawari Natural Resources Limited	-	0.00	-	-	-	0.00
11. Advances Received back						
Shyam Sel and Power Limited	3,578.52	-	-	-	3,578.52	1,656.84
Shyam Emco Infrastructure Limited	35.35	-	-	-	35.35	-
Shyam Energy Limited	0.07	0.04	-	-	0.07	0.04
Godawari Natural Resources Limited	-	0.67	-	-	-	0.67
Shyam Ferro Alloys Limited	0.05	50.34	-	-	0.05	50.34

12. Balances outstanding on account of Receivables/(Payable)

Damodar Aluminium Private Limited	0.96	0.96	-	-	0.96	0.96
Singhbhum Steel and Power Private Limited	1.07	1.07	-	-	1.07	1.07
Meadow Housing Private Limited	2.90	2.90	-	-	2.90	2.90
Godawari Natural Resources Limited	0.18	0.18	-	-	0.18	0.18
Dorite Tracon Private Limited	64.13	4.53	-	-	64.13	4.53
Narantak Dealcomm Limited	228.50	8.04	-	-	228.50	8.04
Shyam Solar Appliance Private Limited	-	0.02	-	-	-	0.02
MJSJ Coal Limited	-	87.84	-	-	-	87.84
Shyam Ferro Alloys Limited	(0.03)	-	-	-	(0.03)	-
Platinum Minmet Private Limited	-	0.10	-	-	-	0.10
Swarnarekha Energy and Steel Private Limited	-	0.10	-	-	-	0.10

46. Value of imports calculated on CIF Basis

(₹ in millions)

Particulars	31st March 2018	31st March 2017
Raw Materials	2,241.29	691.21

47. 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 millions)

Particulars	31st March 2018	31st March 2017
Borrowings (Note - 19 and 24	3,330.23	3,101.14
Trade payables (Note - 25)	1,775.74	634.11
Less: Cash and cash equivalents (Note - 12)	23.27	223.61
Less: Current investments (Note - 10)	548.59	150.23
Net debt	4,534.10	3,361.41
Equity	467.22	467.22
Other Equity	15,149.41	12,318.96
	15,616.63	12,786.18
Capital and net debt	344.43	380.38
Gearing ratio	22.50%	20.82%

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 years ended 31 March 2018 and 31 March 2017.

48. Statutory Auditors' remuneration (excluding goods and service tax) and expenses : (₹ in millions)

Particulars	31st March 2018	31st March 2017
Statutory Audit Fees	1.00	0.60
Tax Audit Fees	0.08	0.08
Fees for Other Services	0.23	0.08
Total	**1.30**	**0.75**

49. Additional Information

i) Expenditure in Foreign Currency (on accrual basis) (₹ in millions)

Particulars	31st March 2018	31st March 2017
Travelling expenses	0.83	0.95
Demurrage Charges on Import of Raw Materials	9.58	2.42
Raw Materials	2241.29	691.21
Interest on Loan	11.97	4.10

ii) Earnings in Foreign Currency (on accrual basis) (₹ in millions)

Particulars	31st March 2018	31st March 2017
Exports (F.O.B. value)	1,129.92	1,563.12

50. The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.608% and the reported tax expense in profit or loss are as follows :-

Effective Tax Reconciliation (₹ in millions)

Particulars	31st March 2018	31st March 2017
Accounting profit before income tax	2,030.26	407.70
Enacted tax rate in India	34.61%	34.61%
Computed expected tax expenses	702.67	141.10
Tax holidays	(1,386.63)	(586.10)
Income exempted from tax	(7.93)	(0.80)
Other Adjustments	(96.26)	343.12
Income Tax recognised in Profit and Loss account	**(788.15)**	**(102.68)**

51. Details of CSR expenditure: (₹ in millions)

Particulars	31st March 2018	31st March 2017
Gross amount required to be spent by the Company during the year	-	19.97
Expenditure incurred during the period	-	5.66

52. As per Ind AS 108 "operating segments" , specified under section 133 of the Companies Act, 2013 there are no reportable segments applicable to the Company

53. Ind AS 115 – Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact. However, there will be additional presentation and disclosure requirement, which will be provided in the next year's financial statements.

54. Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

55. Ind AS 12 - Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

56. Ind AS 40 - Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

57. Ind AS 28 - Investments in Associates and Joint ventures

Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice :

i) An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss

ii) If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

58. The Company did not have any long term contracts including derivative contracts for which there were any forseeable losses.

59. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

60. Goods & Service Tax (GST) has been inplemented w.e.f. 1st July 2017. Consequently, Central Excise, VAT, Service Tax etc. have been replaced by GST. GST, VAT, Service Tax etc are not included in Revenue from Operations. However, excise duty was included in Revenue from Operations till 30th June, 2017. Hence, reported revenue for the period upto 30th June, 2017 are not comparable with those thereafter.

61. Figures of previous year 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 & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

TO THE MEMBERS OF
SHYAM METALICS AND ENERGY LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Shyam Metalics and Energy Limited (hereinafter referred to as "the Parent"), and its subsidiaries, its associates and its joint ventures (the Parent, its subsidiaries, its associates and its joint ventures together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint Ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. 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; 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the preparation of the consolidated Ind AS financial statements by the Board of Directors of the Parent Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Group's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2018, and its consolidated financial performance including consolidated other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of six subsidiaries and five step down subsidiaries whose financial statements reflect total assets of ₹ 12,179.68 millions as at 31 March 2018, total revenues of ₹ 21,189.35 millions and net cash outflows amounting to ₹ 127.67 millions for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net profit of Rs 24.46 lakhs for the year ended 31st March 2017, as considered in the consolidated Ind AS financial statements, in respect of three associates and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements, 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 furnished to us by the management.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("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.

II. 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 Group so far as it appears from our examination of those books;

(c) The Consolidated Balance sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder

(e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2018 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiaries, associates and joint ventures , none of the directors of the Group is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group. (Refer Note 45 to the consolidated Ind AS financial statements)

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

For, **S. K. Agrawal & Co.**
Chartered Accountants

Vivek Agarwal
Partner
Membership No.: 301571

Place: Kolkata
Dated: 15-05-2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of theCompanies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shyam Metalics and Energy Limited (hereinafter referred to as "Parent") and its subsidiary companies, its associate companies and joint ventures to the extent records available with us in conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March, 2018.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiaries, its associates and its joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associate companies and joint ventures, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures.

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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS 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.

Other Matters

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 in so far as it relates to six subsidiary and five step-down subsidiary companies, three associate companies and two joint venture companies which are companies incorporated in India, 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 matters.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, have 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 31 March 2018, based on the internal control over financial reporting criteria established by the respective companies.

For, **S. K. Agrawal & Co.**
Chartered Accountants

Vivek Agarwal
Partner
Membership No.: 301571

Place: Kolkata
Dated: 15-05-2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars		Note no.	As at 31st March, 2018	As at 31st March, 2017
Assets				
Non-Current Assets				
a)	Property, Plant and Equipment	2	17,432.82	17,503.56
b)	Capital work-in-progress	3	906.27	2,118.51
c)	Intangible Assets	4	4.47	6.06
d)	Intangible Assets under Development	5	7.48	2.49
f)	Financial Assets			
	i) Investments	6	622.13	591.95
	i) Loans	7	8.24	7.78
	iii) Other Financial Assets	8	30.08	72.38
g)	Other Non-current Assets	9	714.85	252.83
			19,726.34	**20,555.56**
	Current Assets			
a)	Inventories	10	5,538.36	3,919.89
b)	Financial Assets			
	i) Investments	11	1,331.75	520.49
	ii) Trade Receivables	12	3,756.87	2,726.05
	iii) Cash and Cash equivalents	13	81.25	409.26
	iv) Other Bank Balances	14	451.69	499.12
	v) Loans	15	167.79	332.88
	vi) Other Financial Assets	16	702.83	603.74
c)	Other Current Assets	17	2,941.30	2,662.43
			14,971.84	**11,673.86**
	Total Assets		**34,698.18**	**32,229.42**
	Equity and Liabilities			
	Equity			
a)	Equity Share Capital	18	467.22	467.22
b)	Other Equity	19	18,087.82	13,490.33
	Total Equity		**18,555.04**	**13,957.55**
	Non Controlling Interest		2,095.41	4,141.06
	Non-Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	20	2,017.46	2,400.41
	ii) Loans	21	78.59	159.38
	iii) Others Financial Liabilities	22	15.10	3.20
b)	Provisions	23	57.82	35.14
c)	Deferred Tax Liabilities (Net)	24	1,104.72	2,383.06
d)	Other Non-current Liabilities	25	751.81	784.52
			4,025.50	**5,765.71**
	Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	26	2,786.55	3,532.54
	ii) Trade Payables	27	4,471.18	2,171.37
	iii) Other Financial Liabilities	28	1,075.55	1,347.12
b)	Other Current Liabilities	29	1,363.51	1,228.25
c)	Provisions	30	4.34	4.20
d)	Current Tax Liabilities (Net)	31	321.10	81.63
			10,022.23	**8,365.11**
	Total Equity and Liabilities		**34,698.18**	**32,229.42**
	Significant Accounting Policies	1		
	Notes forming part of the Financial Statements	1 to 62		

As per our report of even date attached.

For, **S. K. Agrawal & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

	Particulars	Notes	31st March, 2018	31st March, 2017
	INCOME			
I	Revenue from operations	32	38,484.47	24,033.66
II	Other Income	33	753.02	655.40
III	**Total Income(I+II)**		**39,237.49**	**24,689.06**
IV	**EXPENSES**			
	Cost of material consumed	34	22,967.91	14,353.25
	Purchase of stock-in-trade	35	1,282.82	665.48
	Excise Duty	36	954.05	2,069.85
	Change in inventories of finished goods, stock in trade and work -in-progress	37	(497.09)	(184.72)
	Employee benefits expense	38	1,064.46	674.62
	Finance costs	39	485.33	515.84
	Depreciation and amortisation expense	40	2,147.43	2,125.68
	Other expenses	41	5,778.46	3,715.97
V	**Total Expense (IV)**		**34,183.37**	**23,935.98**
VI	**Profit/(loss) before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)**		5,054.12	753.09
	Share in Profit/(Loss) of Associate and Joint Venture		24.46	(1.97)
	Profit/(Loss) before tax (V+VI)		5,078.58	751.12
VII	Tax expense:	42		
	(i) Current tax		1,380.81	234.21
	(ii) Deferred tax		(1,487.34)	(186.76)
IX	**Profit for the Year (VIII+IX+X)**		**5,185.11**	**703.67**
	Profit / Loss attributable to Non Controlling Interest		1,036.73	95.57
	Profit / Loss attributable to owners of the Parent		4,148.38	608.10
XII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit and loss			
	- Remeasurement of Defined Benefit Plan		4.82	(4.92)
	- Gains and losses from investments in equity instruments designated at fair value through other comprehensive income;		(34.93)	121.75
	(ii) Income tax relating to items that will not be reclassified to profit or loss		12.06	(10.91)
	Other comprehensive income for the year		**(18.05)**	**105.92**
XIII	**Total Comprehensive Income for the period (XI+XII)**		**5,167.06**	**809.59**
	Comprehensive Income attributable to Non Controlling Interest		1,016.16	147.46
	Comprehensive Income attributable to owners of the Parent		4,150.90	662.13
XIV	**Earning per Equity Share of ₹ 10 each (in ₹)**	43	88.79	13.12
	Significant Accounting Policies	1		
	Notes forming part of the Financial Statements	1 to 62		

As per our report of even date attached.

For, **S. K. Agrawal & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
A.	**Cash flow from operating activities:**		
	Net Profit Before Tax	5,078.58	753.09
	Non Cash Adjustment for Non cash Non operating items		
	Depreciation	2,147.43	2,125.68
	Irrecoverable Debts, Claims and Advances Written Off	102.25	14.14
	Dividend Received	(24.60)	(6.05)
	Provision written back as per expected credit loss model	(47.40)	(15.27)
	Unspent Liabilities written back and Unclaimed Balances adjusted	(19.03)	(3.83)
	Unrealised Foreign Exchange Fluctuations	(244.72)	(139.44)
	Gain on fair value of mutual fund investment	(2.39)	(0.23)
	Gain on derivative contracts (including provision for mark-to-market losses)	(37.39)	(45.58)
	Gain in fair value of equity instruments through Profit and loss	(3.50)	(51.18)
	Profit on Sale of Investments	(10.18)	(109.11)
	(Profit)/Loss on sales of Property, Plant and Equipment	125.45	0.09
	Interest Income	(50.66)	(58.95)
	Interest & Finance charges	485.33	515.84
	Operating Profit Before Working Capital Changes	**7,499.17**	**2,979.20**
	Adjustments for movement in:		
	Increase/(Decrease) in Trade and other payables	2,126.45	475.96
	Decrease / (Increase) in Trade Receivable	(983.42)	(1,338.96)
	Decrease / (Increase) in Inventories	(1,618.47)	(531.92)
	Decrease / (Increase) in other assets	(855.28)	(255.18)
	Cash flow from operating activities before taxes	**6,168.45**	**1,329.10**
	Direct Taxes Paid (net)	(1,141.34)	(99.21)
	Net cash flow from operating activities (A)	**5,027.11**	**1,229.89**
B.	**Cash flow from investing activities:**		
	Purchase of Property Plant & Equipment (Net)	(993.31)	(59.31)
	(Increase)/ Decrease in Investment (Net)	(810.84)	1,138.49
	Dividend Received	24.60	6.05
	Loans Refunded/ (Given)	**164.63**	**(5.20)**
	Interest Received	53.45	57.62
	Net cash from investing activities (B)	**(1,561.47)**	**1,137.65**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 *(Contd.)*

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
C.	C. Cash flow from financing activities:		
	Proceeds from issue of shares	-	69.75
	Repayments/Proceeds from Borrowing (Net) & Current Maturities	(1,128.95)	(359.52)
	Acquisition of Non Controlling Interest	(2,428.04)	(1,413.45)
	Interest paid	(481.38)	(520.58)
	Net cash from financing activities (C)	**(4,038.37)**	**(2,223.80)**
	Effect of Foreign Exchange Fluctuation (D)	244.72	139.44
	Net Changes in Cash & Cash Equivalents (A+B+C+D)	**(328.01)**	**283.18**
	Cash and cash equivalents at the beginning of the year	409.26	126.08
	Closing Cash & Cash Equivalents	**81.25**	**409.26**

Notes to the cash flow statement

1. The above statement of cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flow".
2. Cash and cash equivalent comprises of:

	31st March 2018	31st March 2017
Balance with banks - in current account	63.58	207.38
Cash credit account	12.38	191.16
Cash on hand	5.29	10.72
Total	**81.25**	**409.26**

The above statement should be read with the notes to the Restated Consolidated Financial statements as appearing in Annexure V and Material Adjustment to Restated Consolidated Financial Statements and notes thereon appearing in Annexure VII.

As per our report of even date attached.

For, **S. K. Agrawal & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital

For the year ended 31st March, 2018 (₹ in millions)

Balance as at 31st March, 2018	Changes in Equity Share Capital during the year	Balance as at 31st March, 2018
467.22	-	467.22

For the year ended 31st March, 2017 (₹ in millions)

Balance as at 01st April, 2017	Changes in Equity Share Capital during the year	Balance as at 31st March, 2017
432.61	34.61	467.22

B. Other Equity

Particulars	Reserve and surplus									
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	Share Application Pending Allotment	FVTOCI Equity Instruments	Remeasurement of the net defined benefit plans	Total Attributable to Owners of the Company	Attributable to Non Controlling Iinterest	Total Other Equity
Balance at 1st April 2016	3,525.61	5,734.80	3,829.72	15.26	30.86	153.83	(0.26)	13,289.82	4,786.04	18,075.86
Profit / (Loss) for the year	-	608.10	-	-	-	-	-	608.10	95.57	703.67
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	56.71	(2.66)	54.05	51.89	105.94
Issue of shares	66.00	-	-	-	(30.86)	-	-	35.14	-	35.14
Adjustment due to cross holding in a subsidiary	58.74	57.96	1.99	-	-	-	-	118.69	-	118.69
Adjustment in Non Controlling Interest during the year	-	-	(621.01)	-	-	-	-	(621.01)	(792.44)	(1,413.45)
Transfer from other reserve	-	4.26	-	(4.26)	-	-	-	-	-	-
IND AS Adjustment	-	-	-	-	-	-	-	-	-	-
Balance at 31st March 2017	**3,650.35**	**6,405.12**	**3,210.70**	**11.00**	**0.00**	**210.54**	**(2.92)**	**13,490.33**	**4,141.06**	**17,631.39**
Balance at 1st April 2017	3,650.35	6,405.12	3,210.70	-	-	210.54	(2.92)	13,490.33	4,141.06	17,631.39
Profit / (Loss) for the year	-	4,148.38	-	-	-	-	-	4,148.38	1,036.73	5,185.11
Adjustment in Non Controlling Interest during the year	-	-	446.59	-	-	-	-	446.59	(3,061.81)	(2,615.22)
Other Comprehensive Income	-	-	-	-	-	1.57	4.82	6.38	(20.57)	(14.18)
Income tax effect	-	-	-	-	-	(3.87)	-	(3.87)	-	(3.87)
Balance at 31st March 2018	**3,650.35**	**10,553.50**	**3,657.29**	**36.21**	**-**	**208.24**	**1.90**	**18,087.82**	**2,095.41**	**20,183.23**

As per our report of even date attached.

For, **S. K. Agrawal & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2018

1. **Company Overview and Significant Accounting Policies**

Company Overview

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

The Company and its subsidiaries (collectively referred to as 'the Group') have a presence across the entire value chain of manufacture and sale of ferro alloys, iron & steel products and power generation.

The consolidated financial statements as at March 31, 2018 present the financial position of the Group as well as its interests in associate companies and joint arrangements.

Significant Accounting Policies

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

a. **Statement of compliance**

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

b. **Basis of preparation**

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

The consolidated financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest millions, except otherwise stated.

c. **Use of estimates and critical accounting judgements**

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

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

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

d. **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company, i.e., its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of associates that are consolidated using the equity method of consolidation.

Control is achieved when the Company is exposed to or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The results of subsidiaries and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries and associates to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

e. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

f. Investment in associates

Associates are those enterprises in which the Group has significant influence but does not have control.

Investments in associates are accounted for using the equity method and are initially recognised at cost, from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice:

i) An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss

ii) If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associates or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associates or joint venture first becomes a parent.

g. Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Where Group entity undertakes its activities under joint arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

h. Fair value measurement

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

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

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

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

o Disclosures for valuation methods, significant estimates and assumptions

o Quantitative disclosures of fair value measurement hierarchy

o Investment in quoted and unquoted equity shares

o Financial instruments

i. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

j. Property, plant and equipment

Recognition and initial measurement

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

Impairment

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

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

On the date of transition to Ind AS, the Group has elected to take fair value as deemed cost for land, building and plant & equipments.

De-recognition

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

k. Intangible assets (excluding goodwill)

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer software	3 to 5 years

On the date of transition to Ind AS, the Group has elected to continue with carrying value of all its intangible assets recognised as of 1st April, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost.

l. Depreciation and amortisation of property plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a written down value basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives as per the useful life prescribed in Schedule II to the Companies Act, 2013, 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. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

m. Impairment of non-financial assets

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

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

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

n. Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

(i) **Operating lease –** Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

(ii) **Finance lease –** Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

The Group as lessor

(i) **Operating lease –** Rental income from operating leases is recognised in the statement of consolidated profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

(ii) **Finance lease –** When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

o. Financial Instruments

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost

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

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

Fair Value through Other Comprehensive Income

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

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

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

Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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

Classification and Subsequent Measurement: Financial liabilities

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

Financial Liabilities at FVTPL

Financial liabilities are classified as at fair value through profit and loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit and loss:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities

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

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

Impairment of financial assets

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

Derecognition of financial assets

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

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

Offsetting financial instruments

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

p. Employee benefits

Short term obligations

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

Defined contribution plans

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

Defined benefit plans

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

q. Inventories

Raw materials, stores and spares & traded goods are valued at lower of cost and net realizable value. However, material and other items held for use in the production of finished goods are not written down below cost if the finished products, in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on weighted average basis.

By-products are valued at estimated net realizable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

r. Provisions, Contingent liabilities and Contingent assets

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

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

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

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

s. Government grants

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

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

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

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

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

u. Income taxes

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

Current tax

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

Deferred tax

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

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

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

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

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

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

Current and deferred tax for the year

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

v. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government like GST.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

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

Dividend income

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

w. Foreign currency transactions

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

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

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

x. 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.

y. 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.

z. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

aa. Cash and cash equivalents

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

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

ab. 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.

ac. Segment reporting

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

ad. Effective interest method

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

ae. Expected Credit Loss

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

af. Revenue from Contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors;

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

ag. Investment property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in millions)

2. Property, Plant and Equipment

Description	Gross block				Accumulated depreciation				Net block
	1st April 2017	Additions	Disposals/ Adjustments	31st March 2018	1st April 2017	Additions	Disposals/ Adjustments	31st March 2018	31st March 2018
Freehold Land	1,973.44	9.96	-	1,983.40	1.57	-	1.57	(0.00)	1,983.40
Leasehold Land	221.68	-	11.86	209.82	5.55	2.42	0.70	7.27	202.55
Buildings	3,785.41	528.40	14.36	4,299.45	665.09	335.00	24.52	975.57	3,323.88
Plant and Equipment	15,844.50	1,517.96	231.45	17,131.01	3,683.00	1,795.46	224.36	5,254.10	11,876.91
Furniture and Fixtures	9.96	5.81	0.46	15.31	4.20	2.30	0.46	6.04	9.27
Vehicles	14.71	30.58	7.80	37.49	6.79	2.13	5.34	3.58	33.91
Office Equipment	36.59	-	9.19	27.40	16.53	7.97	-	24.50	2.90
Total	**21,886.29**	**2,092.71**	**275.12**	**23,703.88**	**4,382.73**	**2,145.28**	**256.95**	**6,271.06**	**17,432.82**

Description	Gross block				Accumulated depreciation				Net block
	1st April 2016	Additions	Disposals/ Adjustments	31st March 2017	1st April 2016	Additions	Disposals/ Adjustments	31st March 2017	31st March 2017
Freehold Land	2,180.81	42.01	249.38	1,973.44	-	-	(1.57)	1.57	1,971.87
Leasehold Land	209.31	14.98	2.61	221.68	2.46	3.09	-	5.55	216.13
Buildings	3,525.14	413.71	153.44	3,785.41	341.41	323.68	-	665.09	3,120.32
Plant and Equipment	14,930.86	1,544.93	631.29	15,844.50	1,900.54	1,782.51	0.05	3,683.00	12,161.50
Furniture and Fixtures	6.00	4.06	0.10	9.96	1.94	2.26	-	4.20	5.76
Vehicles	8.39	6.75	0.43	14.71	3.22	3.53	(0.04)	6.79	7.92
Office Equipment	41.32	12.31	17.04	36.59	14.22	8.69	6.38	16.53	20.06
Total	**20,901.83**	**2,038.75**	**1,054.29**	**21,886.29**	**2,263.79**	**2,123.76**	**4.82**	**4,382.73**	**17,503.56**

3. Capital Work -in- Progress

Description	1st April, 2017	Additions	Disposals/ Adjustments	31st March, 2018
Buildings	552.41	40.86	485.85	107.42
Plant & equipments	1,566.10	591.74	1,839.74	318.10
Land	-	511.43	30.68	480.75
Total	**2,118.51**	**1,144.03**	**2,356.27**	**906.27**

Description	1st April, 2016	Additions	Disposals/ Adjustments	31st March, 2017
Buildings	283.30	269.11	-	552.41
Plant & equipments	2,469.47	287.97	1,191.34	1,566.10
Railway Siding	290.60	29.62	320.22	-
Total	**3,043.37**	**586.70**	**1,511.56**	**2,118.51**

4. Intangible Assets

Description	Gross block				Accumulated ammortisation				Net block
	1st April 2017	Additions	Disposals/ Adjustments	31st March 2018	1st April 2017	Additions	Disposals/ Adjustments	31st March 2018	31st March 2018
Computer Softwares	9.82	0.56		10.38	3.76	2.15	-	5.91	4.47
Total	**9.82**	**0.56**	**-**	**10.38**	**3.76**	**2.15**	**-**	**5.91**	**4.47**

Description	Gross block				Accumulated ammortisation				Net block
	1st April 2016	Additions	Disposals/ Adjustments	31st March 2017	1st April 2016	Additions	Disposals/ Adjustments	31st March 2017	31st March 2017
Computer Softwares	15.03		5.21	9.82	1.83	1.93		3.76	6.06
Total	**15.03**	**-**	**5.21**	**9.82**	**1.83**	**1.93**	**-**	**3.76**	**6.06**

5. Intangible assets under Devlopment

Description	Gross block				Accumulated ammortisation				Net block
	1st April 2017	Additions	Disposals/ Adjustments	31st March 2018	1st April 2017	Additions	Disposals/ Adjustments	31st March 2018	31st March 2018
Computer Softwares	2.49	4.99		7.48	-	-	-	-	7.48
Total	**2.49**	**4.99**	**-**	**7.48**	**-**	**-**	**-**	**-**	**7.48**

Description	Gross block				Accumulated ammortisation				Net block
	1st April 2016	Additions	Disposals/ Adjustments	31st March 2017	1st April 2016	Additions	Disposals/ Adjustments	31st March 2017	31st March 2017
Computer Softwares	2.49	-	-	2.49	-	-	-	-	2.49
Total	**2.49**	**-**	**-**	**2.49**	**-**	**-**	**-**	**-**	**2.49**

5. Non current investments

	Number of shares		Face Value	Value of Shares (₹ in millions)	
	31st March 2018	31st March 2017		31st March 2018	31st March 2017
Investments measured at fair value through other comprehensive income					
Unquoted					
Investment in equity instruments					
Shyam Ferro Alloys Limited	490,000	490,000	10.00	51.35	51.35
Glowing Realty Private Limited	150,000	150,000	10.00	1.46	1.46
Dorite Tracon Private Limited	730,000	730,000	10.00	65.82	64.13
Narantak Dealcomm Limited	1,641,088	2,172,900	10.00	299.38	330.51
Platinum Minmet Private Limited	9,800	9,800	10.00	0.94	0.10
Subhlabh Commercials Private Limited	101,350	101,350	10.00	17.07	1.01
Shubham Capital Private Limited	357,000	255,000	10.00	41.97	25.14
Sunglow Complex Private Limited	9,800	9,800	10.00	0.79	0.79
Swarnrekha Abasan Private Limited	9,800	9,800	10.00	1.35	0.91
				480.13	**475.40**
Investments measured at cost/deemed cost					
Unquoted					
Investment in Associates					
Kolhan Complex Private Limited	133,400	133,400	10.00	14.51	14.51
Add: Share in Profit / (Loss)				-	(0.24)
				14.51	**14.27**
Kecons Trade Care Private Limited	7,407,500	7,407,500	10.00	100.00	100.00
Add: Share in Profit/(Loss)				0.08	-
				100.08	**100.00**
Meghana Vyapaar Private Limited	100,000	100,000	10.00	1.00	1.00
Add: Share in Profit/(Loss)				24.40	(1.20)
				25.40	**(0.20)**
Sub - Total				**139.99**	**114.07**

	Number of shares		Face Value	Value of Shares (₹ in millions)	
	31st March 2018	31st March 2017		31st March 2018	31st March 2017
Investment in Joint Ventures					
Shyam Emco infrastructure ltd	-	70,000	10.00	-	0.70
Kalinga Energy & power ltd	133,400	133,400	10.00	1.25	1.25
Add: Share in Profit/(Loss)				(0.01)	(0.13)
				1.24	**1.12**
Sub - Total				**1.24**	**1.82**
Investments measured at cost/deemed cost					
Unquoted					
Investment in Government Securities					
National Saving Certificate (VII Issue)				0.77	0.66
Total		**37,437,988**		**622.13**	**591.95**
Aggregate amount of unquoted investments				622.13	591.95
Aggregate amount of quoted investments				-	-
Aggregate market value of quoted investments				-	-

7. Loans

	31st March, 2018	31st March, 2017
Security deposits	8.24	7.78
Total	**8.24**	**7.78**

8. Other financial assets

	31st March, 2018	31st March, 2017
(Unsecured, considered good)		
Bank deposits for maturity more than 12 months	30.08	67.91
Security deposits (Long Term)	-	4.47
Total	**30.08**	**72.38**

9. Other non-current assets

(Unsecured, considered good)		
Capital advances	713.08	242.25
Security Deposits	0.00	0.00
Mat credit entitlement	0.00	0.00
Deposits against demands under dispute	0.60	10.36
Prepaid expenses	1.17	0.22
Total	**714.85**	**252.83**

10. Inventories

(Valued at lower of cost and Net Realisable Value)		
Raw Materials	3599.71	2527.85
Work in progress	2.40	3.07
Finished Goods	1515.50	950.28
Stores and Spares	333.92	266.78
Furnance Oil	3.94	2.43
Consignment Stock	0.00	141.83
Traded Goods	1.92	21.98
By Products	80.97	5.67
Total	**5,538.36**	**3,919.89**

11. Current Investments

Particulars	Number of shares		Face Value	31st March 2018	31st March 2017
	31st March 2018	31st March 2017			
Investments measured at fair value through profit and loss					
Quoted					
Investment in equity instruments					
Bajaj Finance ltd	6,547	6,700	10.00	11.57	7.85
Bharat petroleum corporation ltd	-	4,470	10.00	-	2.90
Crompton Greave limited	-	9,430	2.00	-	0.73
Crompton Greave consumer electrical limited	-	9,430	2.00	-	2.05
Larsen and tourbo limited	-	750	2.00	-	1.18
Maruti suzuki india limited	-	585	5.00	-	3.52
Motherson sumi system limited	-	6,742	1.00	-	2.51
Reliance Industries limited	-	2,936	10.00	-	3.88
Tech Mahindra limited	-	2,900	5.00	-	1.33
Himandri Speciality chemical limited	-	18,175	1.00	-	0.79
Sintex Industries limited	-	10,000	1.00	-	1.06
Tata Motors Limited	-	5,050	2.00	-	2.35
Cummins india limited	-	1,000	2.00	-	0.95
Indian oil corporation limited	-	21,000	10.00	-	8.13
Hindustan petrolium corporation limited	-	1,500	10.00	-	0.79
Rural Electrification corporation limited	-	42,040	10.00	-	7.61
ICICI Bank Limited	-	12,150	2.00	-	3.36
Star Ferro & Cement Limited	-	624,000	1.00	-	87.57
Shyam Century Ferrous Limited	-	12,270,524	1.00	-	97.55
Manaksia Limited	-	207,135	2.00	-	14.05
SUB-TOTAL				**11.57**	**250.16**
Investment in Prefernce Shares					
Zee Entertainment (Redemable Preference Share)	21,978	21,978	8.00	0.02	0.02
SUB-TOTAL				**0.02**	**0.02**
Investment in Non- Convertible Debenture					
Miraya realty private limited NCD FV 1LAC	56	56	100,000	9.02	7.90
Shivprasad realty pvt ltd NCD FV 1 LAC		66	100,000	-	10.02
Cornerview construction & devloper p ltd FV 52172.50	80	80	50,000	3.63	4.87
Runwal realty estate pvt ltd	40		100,000	5.18	4.52
shriprop dwellers pvt ltd NCD FV 1 LAC	54	36	100,000	6.28	6.72
Sterling habitates pvt ltd	31	54	100,000	4.59	4.07
NCD Sterling habitates pvt ltd	4	31	100,000	0.39	0.41
Miraya realty private limited NCD FVC 1LAC	94	4	100,000	11.22	9.71
Genia commercial venture pvt ltd	82	94	100,000	8.55	7.84
Runwal Real Estates Pvt LTD Pd 15	-	-	-	6.53	-
Runwal Real Estates Pvt LTD Pd 16	97	-	-	4.28	-
NCD Cornerview Constructions Pvt Ltd	72	-	-	3.85	-
Sterling Habitats Pvt Ltd Pd 15	32	-	-	2.52	-
Genie Commercial Ventures Pvt. Ltd. Pd 31	5	-	-	0.50	-
SUB-TOTAL				**66.54**	**56.06**

Particulars	Number of shares		Face Value	31st March 2018	31st March 2017
	31st March 2018	31st March 2017			
Unquoted					
Investment in Mutual Funds					
Axis Enhanced Arbitrage fund collection A/c	962,607	-	-	10.52	-
Aditya Birla Sun Life Infrastructure Fund -Plan Dividend	204,077	-	-	4.62	
Aditya Birla Sun Life Small & Midcap Fund Dividend- Direct Plan	118,418	-	-	4.83	
Tata infrastructure fund	66,718	66,718	-	3.76	3.44
Birla sunlife cash plus-dd/Investment in MF	-	500	-	-	0.05
DSP Black Rock Equity Savings Fund	1,706,639	-	-	19.89	-
DSP Blackrock Equal Nifty 50 Fund - Dir - Growth	513,022	-	-	4.91	-
DSP Black Rock Opportunites Fund	135,376	-	-	9.58	-
DSP Blackrock Equity Savings Fund- Dir- Monthly Dividend	1,706,639	-	-	20.04	-
DSP Blackrock Equity Opportunities Fund - Direct Plan - Dividend	135,376	-	-	7.12	-
DSP Blackrock Arbitrage Fund - Dir - Monthly Dividend	5,037,262	-	-	50.73	-
DSP Blackrock Natural Resources And New Energy Fund- Dividend	241,122	-	-	4.55	-
Kotak Infrastructure And Economic Reform Fund Direct Dividend	205,238	-	-	4.62	-
ICICI Prudential Mutual Fund Collection	4,167,641	-	-	69.82	-
ICICI Prudential Dynamic -Direct Plan- Dividend	363,512	-	-	9.77	-
ICICI Prudential Balanced Fund -Direct Plan -Monthly Dividend	319,151	-	-	9.73	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	65,120	-	-	0.94	-
ICICI Prudenctial Value Fund Series 20 Direct Plan	500,000	-	-	4.91	-
Franklin India Smaller Companies Fund -Direct - Growth	78,356	-	-	4.89	-
Franklin Build India Fund - Direct - Dividend	190,951	-	-	4.64	-
Indiabulls Blue Chip Fund -Direct Plan -Dividend	4,088,307	-	-	50.41	-
HDFC Small Cap Fund- Direct Growth Plan	106,838	-	-	4.98	-
HSBC Small Cap Equity Fund - Growth Direct Plan	79,890	-	-	4.81	-
Aditya Birla Sunlife Enhanced Arbitrage Fund - Dividend-Direct Plan	4,640,166	-	-	51.23	-
DSP Blackrock India Enhanced Equity Satcore Fund	300,000	-	-	30.55	-
Edelweiss Crossover Opportunities Fund	9,350,933	-	-	103.82	-
Edelweiss Real Estate Opportunities Fund.	19,475	-	-	215.26	-
SBI Debt Fund Series - C - 7 (1190 Days) - Direct Growth	2,987,784	-	-	30.37	-
SBI Arbitrage Opportunity Fund	81,228	-	-	2.15	-

Particulars	Number of shares		Face Value	31st March 2018	31st March 2017
	31st March 2018	31st March 2017			
L&T India Prudence Fund Direct Plan-Dividend	228,629	-	-	4.91	-
L&T Arbitrage Opportunity Fund	5,101,936	-	-	50.32	-
L&T India Special Situations Fund Direct Plan-Dividend	153,593	-	-	4.82	-
L&T India Value Fund Direct Plan - Dividend	258,820	-	-	7.68	-
L&T Emerging Businesses Fund Direct Dividend	303,187	-	-	7.08	-
L&T Infrastructure Fund Direct Plan -Dividend	255,493	-	-	4.56	-
HDFC Housing Opportunities Fund Series 1	1,000,000	-	-	19.26	-
Birla Sunlife Mutual Fund	76,277	-	-	1.08	-
Kotak Equity Arbitrage Fund	29,750	-	-	51.96	-
Bharat 22 ETF	261,120	-	-	18.31	-
SBI Magnum Income Fund	3,447,682	-	-	50.79	-
Avendus Absolute Return Fund	-	-	-	104.34	-
SBI Treasury Advantage Fund	-	81,204	-	-	150.23
SBI Magnum Income Fund-Direct Plan-Growth	305,142	-	-	13.30	-
SBI Magnum Instacash Fund	44,717	-	-	171.76	-
SBI short term debt fund direct plan growth	-	3,147,442	-	-	60.53
SUB-TOTAL				**1,253.62**	**214.25**
TOTAL				**1,331.75**	**520.49**
Aggregate amount of quoted investments				**78.13**	**306.24**
Aggregate amount of Unquoted investments				**1,253.62**	**214.25**
Aggregate market value of quoted investments				**78.13**	**306.24**

12. Trade receivables

	31st March, 2018	31st March, 2017
Unsecured considered good	3,813.51	2,925.53
Less: Allowances for credit losses	(56.64)	(199.48)
Total	**3,756.87**	**2,726.05**

(a) Refer Note 48 for Related Party Transactions and outstanding balance

(b) Trade Receivables are hypothecated to bank against working capital facility.

(c) The Company is regularly receiving dues from its customers. Hence, they are secured from credit losses in the future. Provision for expected delay in realisation in trade receivables beyond contractual terms is determined using a provision matrix which takes into account available external and internal liquidity risk factors including historical credit loss experience and adjusted for forward looking information. The Company uses an estimated economic value based on age of receivables to compute the expected credit loss allowance. Credit risk / loss arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

13. Cash and cash equivalents

	31st March, 2018	31st March, 2017
Balance with banks - in current account	63.58	207.38
Cash credit account	12.38	191.16
Cash on hand	5.29	10.72
Total	**81.25**	**409.26**

14. Other bank balances

	31st March, 2018	31st March, 2017
Fixed Deposits held as margin with maturity less than 3 months	127.40	-
Fixed deposits maturity for more than 3 months but less than 12 months	324.29	499.12
Total	**451.69**	**499.12**

15. Loans

(Unsecured, considered good)		
Sombaria company limited	-0.02	0.00
Loan to related parties	1.78	29.04
Security deposits	**107.55**	**161.14**
Loan to body corporates	**58.46**	**142.70**
Total	**167.79**	**332.88**

16. Other financial assets

(Unsecured, considered good)		
Interest accrued and due on fixed deposits	4.20	6.99
Earnest money deposit	0.02	1.89
Incentive Receivable	688.54	594.86
Derivative Assets	10.07	0.00
Total	**702.83**	**603.74**

17. Other financial assets

(Unsecured, considered good)		
Advances against goods and expenses	2735.34	2235.23
Prepaid Expenses	2.79	5.30
Advances to employees	10.44	4.25
Balances with statutory authorities	192.73	417.65
Total	**2,941.30**	**2,662.43**

18. Equity share capital

Authorised capital		
76,000,000 (31st March 2017 - 76,000,000) equity shares of ₹ 10 each	760.00	760.00
Total	**760.00**	**760.00**
Issued, Subscribed & Paid-up Capital		
4,67,22,020 (31 March 2017: 432,61,228) equity shares of ₹ 10 each	467.22	432.61
Add: Issue of Nil (March 31, 2017: 375,000) Equity Shares of ₹ 10 each	-	3.75
Add: Issue of Nil (March 31, 2017: 30,85,792) Equity Shares due to Amalgamation	-	30.86
Total	**467.22**	**467.22**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

Particulars	31st March 2018		31st March 2017	
	No of shares	₹ in millions	No of shares	₹ in millions
Equity shares at the beginning of the year	46,722,020	467.22	43,261,228	432.61
Add: Shares issued during the year	-	-	375,000	3.75
Add: Shares issued during the year pursuant to scheme of Arrangement	-	-	3,085,792	30.86
Less: Elimination of shares held by subsidiary company				
Less: Share cancelled pursuant to the Scheme of Arrangement	-	-	-	-
Equity shares at the end of the year	46,722,020	467.22	46,722,020	467.22

b) Rights/preferences/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees in the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate no. of shares issued for consideration other than cash during the period of 5 years immedialtely preceding the reporting date

Particulars	**31st March 2018**	**31st March 2017**	**31st March 2016**	**31st March 2015**	**31st March 2014**
Equity Share allotted as fully paid up pursuant to contract for consideration other than cash	8,799,028	8,799,028	-	5,643,236	-

Particulars	**31st March 2018**	**31st March 2017**	**31st March 2016**	**31st March 2015**	**31st March 2014**
Opening	8,729,028	5,643,236	5,643,236	-	-
Add: Equity Shares allotted as fully paid up pursuant to contract for consideration other than cash.	-	3,085,792	-	5,643,236	-
Closing	**8,729,028**	**8,729,028**	**5,643,236**	**5,643,236**	**-**

d) Details of shareholders holding more than 5% shares in the Company

Equity shares of ₹ 10 each fully paid up	**As on 31st March 2018**		**As on 31st March 2017**	
	No. of shares	**Holding**	**No. of shares**	**Holding**
Subham Buildwell Private Limited	14,519,450	31.08%	14,519,450	31.08%
Narantak Dealcomm Limited	10,812,668	23.14%	10,812,668	23.14%
Subham Capital Private Limited	8,398,954	17.98%	8,327,954	17.82%
Mr. Brij Bhushan Agarwal	4,683,964	10.03%	4,683,964	10.03%
Dorite Tracon Private Limited	3,039,333	6.51%	3,039,333	6.51%

19. Other Equity

Particulars	Reserve and surplus									
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	Share Application Pending Allotment	FVTOCI Equity Instruments	Remeasurement of the net defined benefit plans	Total Attributable to Owners of the Company	Attributable to Non Controlling Iinterest	Total Other Equity
Balance at 1st April 2016	3,525.61	5,734.80	3,829.72	15.26	30.86	153.83	(0.26)	13,289.82	4,786.04	18,075.86
Profit / (Loss) for the year	-	608.10	-	-	-	-	-	608.10	95.57	703.67
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	56.71	(2.66)	54.05	51.89	105.94
Issue of shares	66.00	-	-	-	(30.86)	-	-	35.14	-	35.14
Adjustment due to cross holding in a subsidiary	58.74	57.96	1.99					118.69		118.69
Adjustment in Non Controlling Interest during the year			(621.01)					(621.01)	(792.44)	(1,413.45)
Transfer from other reserve	-	4.26	-	(4.26)	-	-	-	-	-	-
Balance at 31st March 2017	**3,650.35**	**6,405.12**	**3,210.70**	**11.00**	**0.00**	**210.54**	**(2.92)**	**13,490.33**	**4,141.06**	**17,631.39**
Balance at 1st April 2017	3,650.35	6,405.12	3,210.70	36.21	-	210.54	(2.92)	13,490.33	4,141.06	17,631.39
Profit / (Loss) for the year	-	4,148.38	-	-	-	-	-	4,148.38	1,036.73	5,185.11

Particulars	Reserve and surplus									
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	Share Application Pending Allotment	FVTOCI Equity Instruments	Remeasurement of the net defined benefit plans	Total Attributable to Owners of the Company	Attributable to Non Controlling Iinterest	Total Other Equity
Adjustment in Non Controlling Interest during the year	-		446.59					446.59	(3,061.81)	(2,615.22)
Other Comprehensive Income	-	-	-	-	-	1.57	4.82	6.39	(20.57)	(14.18)
Income tax effect	-	-	-	-	-	(3.87)	-	(3.87)	-	(3.87)
Balance at 31st March 2018	**3,650.35**	**10,553.50**	**3,657.29**	**36.21**	**-**	**208.24**	**1.90**	**18,087.82**	**2,095.41**	**20,183.23**

19. Borrowings (Secured)

	31st March, 2018	31st March, 2017
Term loans from banks (INR loan)	1,230.19	634.06
Foreign Currancy Loan	1,617.80	3,000.77
Hire Purchase Finance	0.07	1.94
Long term Maturities Of finance lease Obligation	0.22	0.22
Commercial Vehicle Loan	1.67	3.20
	2,849.95	3,640.19
Less: Current Maturities of Long Term debt	837.24	1,272.46
	2,012.71	**2,367.73**
Unsecured		
Loan from releted parties	4.75	32.68
Total	**2,017.46**	**2,400.41**

Repayment terms and security disclosure for outstanding long-term borrowings (excluding current maturities) as on 31st March 2018:

(i) Nature of security for Commercial Vehicle Loan

Hire purchase finance is secured against hypothecation of respective assets.

(ii) Details of terms and conditions of term loan from banks

Name of the Bank	Type of loan	As at 31st March 2018	As at 31st March 2017	Repayment Schedule	Security
		Loan Amount	Loan Amount		
DBS bank	ECB	-	121.57	8 half yearly installments starting from October, 2013.	Note 20.1
Union Bank of India and State Bank of India	Term Loan	99.36	116.73	20 quarterly installments started from 31st December, 2010	Note 20.2
State Bank of India, South India Bank, Union Bank of India and Allahabad Bank	Term Loan	1,012.19	517.33	40 quaterly instalments commencing from 30th June 2018	Note 20.3
DBS bank	ECB	-	321.20	8 half yearly installments starting from 4th April, 2014	Note 20.4
ICICI Bank	ECB	144.40	179.99	18 quarterly installments starting from September, 2013.	Note 20.5
State Bank of India	FCNRTL	164.38	207.90	24 quarterly installments started from April, 2015	Note 20.6
Axis Bank	ECB	227.44	551.13	23 quaterly instalments commencing from 31st December, 2013	Note 20.7
ICICI Bank	ECB	620.51	862.51	22 quaterly instalments commencing from 2nd January 2015	Note 20.8

Name of the Bank	Type of loan	As at 31st March 2018	As at 31st March 2017	Repayment Schedule	Security
		Loan Amount	Loan Amount		
Axis Bank	ECB	460.42	625.30	28 quarterly installments starting from 23rd April,2014.	Note 20.9
State Bank of India	FCTL	119.29	131.17	30 quarterly installments starting from December,2015.	Note 20.10
Total		**2,847.99**	**3,634.83**	-	

20.1 Security

First Charge on the Fixed Assets of the proposed Project of the company on pari passu basis with other terms lenders funding the project Extension of Equitable mortgage on the company's land at rengali, Orissa on Pari Passu basis, with all other term lenders.Pari Pasu 2nd Charges on all current assets of the proposed Project of the company on pari passu basis with other term lenders funding the project. Personal Gurantee of Mr.Brij Bhushan Agarwal. Any other security stipulated by other lenders financing the project.

20.2 Security

First Charge on the Fixed Assets of the proposed Project of the company on pari passu basis with other terms lenders funding the project Extension of Equitable mortgage on the company's land at rengali, Orissa on Pari Passu basis, with all other term lenders. Pari Pasu 2nd Charges on all current assets of the proposed Project of the company on pari passu basis with other term lenders funding the project.

20.3 Security

First Charge on the Fixed Assets of the proposed Project of the company on pari passu basis with other terms lenders funding the project Extension of Equitable mortgage on the company's land at rengali, Orissa on Pari Passu basis, with all other term lenders. Pari Pasu 2nd Charges on all current assets of the proposed Project of the company on pari passu basis with other term lenders funding the project.

20.4 Security

First charge by way of hypothecation over all the fixed/ movable assets pertaining to the project at Jamuria, West Bengal ranking pari-passu with all the other Projects lenders and second charge on current assets of the company. Guarantee - Personal Guarantee.

20.5 Security

The facility alongwith interest , default interest, fees and all other monies due to the lenders by the Borrower ,shall be secured ,inter aliaby charges /hypothecation /mortgage /security interest/assignment on:

I. First charge by way of equitable mortgage/registered mortgage/english mortgage/over all the movable properties. Situated in the sangli in the state of maharashtra.

II. First charge by way of hypothecation over all movable fixed assets of the project,both present and future.

III. Assignment of the rights, interest and obligations of the borrower under the project documents, including insurance policies relatingto the project,permits/approvals, clearence related to the project,both present and future.

IV. Second charge on all the current assets of the project ,both present and future.

20.6 Security

First charge by way of hypothecation over all the fixed/ movable assets pertaining to the project at Jamuria, West Bengal ranking pari-passu with all the other Projects lenders and second charge on current assets of the company. Guarantee - Personal Guarantee.

20.7 Security

First Charge on the Fixed Assets of the proposed Project of the company on pari passu basis with other terms lenders funding the project Extension of Equitable mortgage on the company's land at rengali, Orissa on Pari Passu basis, with all other term lenders.Pari Pasu 2nd Charges on all current assets of the proposed Project of the company on pari passu basis with other term lenders funding the project. Personal Gurantee of Mr.Brij Bhushan Agarwal. Any other security stipulated by other lenders financing the project.

20.8 Security

First charge by way of hypothecation over all the fixed/ movable assets pertaining to the project at Jamuria, West Bengal ranking pari-passu with all the other Projects lenders and second charge on current assets of the company. Guarantee - Personal Guarantee.

20.9 Security

First charge by way of hypothecation over all the fixed/ movable assets pertaining to the project at Jamuria, West Bengal ranking pari-passu with all the other Projects lenders and second charge on current assets of the company. Guarantee - Personal Guarantee.

20.10 Security

First Charge on the Fixed Assets of the proposed Project of the company on pari passu basis with other terms lenders funding the project Extension of Equitable mortgage on the company's land at rengali, Orissa on Pari Passu basis, with all other term lenders. Pari Pasu 2nd Charges on all current assets of the proposed Project of the company on pari passu basis with other term lenders funding the project.

21. Loans

	31st March, 2018	31st March, 2017
Security deposits received	78.59	159.38
Total	**78.59**	**159.38**

22. Other financial liabilities

Retention Money	15.10	3.20
Total	**15.10**	**3.20**

23. Provisions

	31st March, 2018	31st March, 2017
Provision for Employee Benefits - Gratuity	57.82	35.14
Total	**57.82**	**35.14**

24. Deferred tax

Deferred tax liability arising on account of :		
Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,171.19	2,236.13
Others	8.10	-
Fair valuation of investment	13.55	1,109.49
Effective interest rate adjustment on borrowings	-	6.98
Revaluation of fixed assets	1,111.38	-
	-	5.49
Deferred tax assets arising on account of :		-
Provision on receivables	(18.11)	(48.99)
Expenditure allowed for tax purpose on payment basis (43B)	(9.49)	(4.40)
Defined benefit plans	-	(6.84)
Others	(94.33)	(6.85)
	2,182.29	3,291.01
Less: MAT credit Entilement	1,077.57	907.95
Total	**1,104.72**	**2,383.06**

25. Other non current liabilities

	31st March, 2018	31st March, 2017
Creditors for supplies and service	-	
Liability for water charges	655.09	538.36
Deffered revenue grant	6.63	7.79
Creditors for capital goods	90.09	238.37
Total	**751.81**	**784.52**

26. Short-term Borrowings

Secured		
Loans Repayable on Demand		
Foreign Currency Term loan *	74.45	530.79
Cash credit from Banks	1,817.39	2,274.22
Buyers' Credit	383.10	500.51
Unsecured		-
Collateralised borrowing bill discounting	511.61	223.02
Borrowing from Body corporates	-	4.00
Total	**2,786.55**	**3,532.54**

Security disclosure for outstanding short-term borrowings:

Borrowings from banks are secured in respect of respective facilities by way of hypothecation of entire current assets of the company and further secured by second charge on fixed assets of the company.

* For repayment terms of Foreign Currency Term Loan refer Note 20, as it includes both Current & Non-current Borrowings.

27. Trade payables

	31st March, 2018	31st March, 2017
Due to micro, small and medium enterprises	-	-
Due to others	4,471.18	2,171.37
Total	**4,471.18**	**2,171.37**

(a) Trade Payable are payable on account of goods purchased and services availed in the normal course of business.

(b) Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be maid relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there no Micro, Small and Medium Enterprises, to whom the company owes dues (including interest on outstanding dues) which are outstanding as at balance sheet date.

(c) Refer Note 48 For related Party Transactions and outstanding balance.

(d) Fair Value of trade payable is not materially different from carrying value presented.

28. Other financial liabilities

Current maturities of long term debts	837.24	1,272.46
Bank O/D	0.17	0.02
Interest accrued but not due on borrowings	26.00	22.05
Derivative liability	159.90	10.40
Employee related payables	52.24	42.19
Total	**1,075.55**	**1,347.12**

29. Other current liabilities

	31st March, 2018	31st March, 2017
Statutory dues	236.83	200.19
Advance from customers	1,107.42	879.45
Advance from related parties	14.19	-
Other payable	3.90	146.44
Deffered revenue grant	1.17	1.38
Trade Deposits	-	0.79
Total	**1,363.51**	**1,228.25**

30. Short-trem Provisions

Provision for Employee Benefits		
- Gratuity	4.34	4.20
Total	**4.34**	**4.20**

31. Current Tax Liabilities (Net)

Provision for tax (Net of Advances)	321.10	81.63
Total	**321.10**	**81.63**

32. Revenue from operations

Operating revenue		
- Sale of manufactured products	36,009.95	22,987.70
- Sale of services	984.95	933.31
- Sale of Power	37.92	-
- By Product	71.21	9.91
- Income from Carbon Credit	0.14	-
- Sale of traded goods	1,380.30	102.74
Total	**38,484.47**	**24,033.66**

33. Other income

	31st March, 2018	31st March, 2017
Operating Income		
Export incentive received	216.84	199.36
Non-Operating Income		
Profit on sale of Mutual Fund	-	21.70
Recurring Income		
Interest received on financial assets carried at amortised cost		
- Deposits	34.67	28.17
- Loans	15.99	30.78
Non- recurring Income		
Profit/Loss on sale of investments	10.18	109.11
Gain from fair valuation of financial instruments carried at fair value through profit and loss		
- Derivative Instruments	37.39	45.58
Gain from fair valuation of investments carried at fair value through profit and loss		
- Mutual Fund	2.39	0.23
- Equity Instruments	3.50	51.18
Rent	-	0.23
Dividend received on mutual fund investments	24.60	6.05
Provision written back as per expected credit loss model	47.40	15.27
Delivery Charges Received	-	-
Insurance claim received	2.28	1.95
Provision no longer required written back	19.03	3.83
Exchange Gain Fluctuation (net)	244.72	139.44
Interest Income on Bank Deposits	-	-
Others	94.03	2.53
Total	**753.02**	**655.40**

34. Cost of material consumed

	31st March, 2018	31st March, 2017
Opening stock	2,527.85	1,959.56
Add: Purchases	24,464.29	15,299.47
	26,992.14	**17,259.03**
Less: Sales	424.52	377.93
Less: Closing Stock	3,599.71	2,527.85
Total	**22,967.91**	**14,353.25**

35. Purchase of stock-in-trade

	31st March, 2018	31st March, 2017
Traded goods	1,282.82	665.48
Total	**1,282.82**	**665.48**

36. Excise Duty

	31st March, 2018	31st March, 2017
Excise duty on Manufactured goods	954.05	2,069.85
Total	**954.05**	**2,069.85**

37. Changes in inventories

	31st March, 2018	31st March, 2017
Opening Stock		
Finished Goods	950.27	952.56
Consignment Stock	141.83	9.36
Work-in-progress	21.98	2.36
Traded Goods	3.07	3.90
By-Products	5.67	61.13
	1,122.82	**1,029.31**
Closing Stock		
Finished Goods	1,515.50	950.27
Consignment Stock	-	141.83
Work-in-progress	1.92	21.98
Traded Goods	2.40	3.07
By-Products	80.97	5.67
	1,600.79	**1,122.82**
Add:Stock Transfer on Demerger	**(19.12)**	**(91.21)**
(Increase)/ Decrease in Inventories	**(497.09)**	**(184.72)**

38. Employee benefits expense

Salaries and Wages	975.66	629.95
Contribution to provident and other funds**	66.23	37.90
Staff welfare	22.57	6.77
Total	**1,064.46**	**674.62**

a) During the year the group recognised an amount of Rs 24.22 Millions (2016-17 : Rs 10.48 millions) as remuneration to key managerial Personnel. The details of such remuneration is a below:

(₹ in millions)

Descriptions	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Short -term employees Benefits	23.70	10.13
(b) Post- employement benefits	0.28	0.22
(c) Other long-term benefits	0.24	0.13
Total	**24.22**	**10.48**

39. Finance costs

	31st March, 2018	31st March, 2017
Interest Expense		
- On Borrowings	385.90	402.41
Exchange difference to the extent considered as an adjustment to borrowing costs	6.25	11.87
Other Borrowing Costs	93.18	101.56
Total	**485.33**	**515.84**

40. Depreciation and amortisation

	31st March, 2018	31st March, 2017
Depreciation	2,145.28	2,123.75
Amortisation	2.15	1.93
Total	**2,147.43**	**2,125.68**

41. Other expenses

	31st March, 2018	31st March, 2017
Rent	142.41	67.39
Rates and taxes	895.49	812.29
Power, fuel and electricity	967.42	811.31
Consumption of stores and spares parts	1,957.84	1,137.67
Repairs		
Building	40.28	15.22
Machinery	151.77	41.32
Others	74.56	66.91
Insurance	16.82	28.13
Brokerage and commision on sales	115.00	15.66
Publicity Expenses	28.19	13.36
Legal and professional	55.44	35.92
Charity and donations	1.16	0.02
Loss on sale of fixed assets	125.45	0.09
Labour charges	520.41	95.96
Freight	113.21	74.89
Payment to auditor	2.28	1.66
Corporate Social Responsibility	15.20	10.84
Irrecoverable Debts, Claims and Advances Written Off	102.25	14.14
Miscellaneous expenses	453.28	473.19
Total	**5,778.46**	**3,715.97**

42. Tax expense

	31st March, 2018	31st March, 2017
i) Current Tax		
Current tax	1,380.81	234.21
Total	**1,380.81**	**234.21**
ii) Deferred Tax		
Deferred tax	(1,096.65)	(51.76)
Less: Minimum alternate tax credit entitlement	390.69	135.00
Total	**(1,487.34)**	**(186.76)**

43. 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 the year including share options, except where the result would be anti-dilutive.

	31st March, 2018	31st March, 2017
Net Profit / (Loss) attributable to equity shareholders		
Profit / (Loss) after tax	4,148.38	608.10
Nominal value of equity share (₹)	**10.00**	**10.00**
Weighted-average number of equity shares for basic & Diluted EPS	46,722,020	46,349,075
Basic & Diluted earnings per share (₹)	88.79	13.12

44. Significant accounting judgements, estimates and assumptions

The preparation of the Groups's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, 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 judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates relating to the carrying 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 judgement is required in establishing fair values. Judgements 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 instrument.

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.

45. Commitments & Contingent Liabilities

(a) Capital commitments

(₹ in millions)

Descriptions	31st March, 2018	31st March, 2017
Estimated amount of contracts remaining to be executed and not provided for (Net of Advances)	1,624.25	331.82

(b) Contingent Liabilities & Guarantees

Descriptions	31st March, 2018	31st March, 2017
Unredeemed Bank Guarantees on behalf of the joint venture company	20.02	20.02
Other Unredeemed Bank Guarantees	282.48	259.02
Bills discounted with banks	1,062.91	513.93
Demands/Claims by various Government authorities and others not acknowledged as debts:		
i. Excise Duty	616.93	488.30
ii. Service Tax	32.52	11.01
iii. Custom Duty	9.90	9.83
iv. Sales Tax	232.56	496.67
v. Odisha Entry Tax	-	10.96
vi. ESI	1.39	1.39
Total	**2,258.71**	**1,811.13**

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.

(c) Leases

Operating lease commitments - Group as lessee

Certain office premises, guest houses and plant & machineries are obtained on operating lease. There is a lease agreement for a period of 1-3 years for offices and guest houses and are renewable for further period either mutually or at the option of the Company. There is also an escalation clause in certain lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. The leases are cancellable.

The Company has paid ₹ 71.29 millions (2016-17: ₹ 55.60 millions) during the year towards minimum lease payment.

Future minimum rentals payables under non-cancellable operating leases at 31st March are as follows: (₹ in millions)

Descriptions	31st March, 2018	31st March, 2017
Within one year	82.17	71.29
After one year but not more than five years	0.05	0.42
More than five years	0.16	0.37

Finance lease commitments - Company as lessee

Fixed Assets include certain Plant & Machineries and Vehicles obtained on finance lease. The year-wise break-up and future obligation towards minimum lease payment of ₹ 2.05 millions (31st March, 2017 ₹ 3.87 millions) consisting of present value of lease payments and financial charges of ₹ 3.40 millions (31st March, 2017 ₹ 4.95 millions).

Future minimum rentals payable under non-cancellable finance leases as at 31st March are, as follows: (₹ in millions)

Particulars	Gross Amount Payable		Present Value	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Within one year	1.131	1.77	1.01	1.72
After one year but not more than five years	0.76	1.90	0.78	1.59
More than five years	0.16	0.20	1.71	1.74

46. Employee Benefit Obligations (₹ in millions)

Particulars	31st March 2018		31st March 2017	
	Current	Non-current	Current	Non-current
Gratuity	4.34	57.82	4.20	35.14
Leave Obligations	-	1.24	-	-
Total	**4.34**	**59.06**	**4.20**	**35.14**

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 for the number of years of service.

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.65 years (31st March 2017 - 5.62 years)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in millions)

Changes in defined benefit obligation	31st March 2018	31st March 2017
Present value obligation as at the start of the year	39.34	32.64
Interest cost	2.96	2.50
Current service cost	15.73	7.32
Past Service Cost	-	-
Benefits paid	(2.34)	(8.04)
Actuarial loss/(gain) on obligations	6.47	4.92
Transferred from gratuity (funded) to gratuity (non-funded)	-	-
Present value obligation as at the end of the year	**62.16**	**39.34**

Breakup of Actuarial gain/loss: (₹ in millions)

Changes in defined benefit obligation	31st March 2018	31st March 2017
Actuarial (gain)/loss on arising from change in financial assumption	0.23	2.10
Actuarial (gain)/loss on arising from experience adjustment	6.24	2.82

(₹ in millions)

Amount recognized in the statement of profit and loss	31st March 2018	31st March 2017
Current service cost	15.73	7.32
Past Service Cost	-	-
Interest cost	2.96	2.50
Expected return on plan assets	-	-
Amount recognised in the statement of profit and loss	18.69	9.82

(₹ in millions)

Amount recognised in the statement of Other Comprehensive Income	31st March 2018	31st March 2017
Net Cumulative unrecognised actuarial gain/(loss) opening	-	-
Actuarial Gain/(Loss) for the year on Plan Benefit Obligation	6.47	4.92
Actuarial Gain/(Loss) for the year on Asset	-	-
Unrecognised actuarial Gain/(Loss) at the end of the year	6.47	4.92

Reconciliation of present value of defined benefit obligation and the fair value of plan assets	31st March 2018	31st March 2017
Present value obligation as at the end of the year	62.16	39.34
Fair value of plan assets as at the end of the year	-	-
Net (asset)/ liability recognized in balance sheet	(62.16)	(39.34)

Actuarial Assumptions

Description	31st March 2018	31st March 2017
Discount rate	7.75% - 7.50%	7.50%
Future salary increase	5.50% - 6.00%	5.50% - 6.00%

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 to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability

The Sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occuring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant acturial assuptions , holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in millions)

Description	31st March 2018	31st March 2017
Impact of the change in discount rate		
Present value of obligation at the end of the year	62.16	39.34
a) Impact due to increase of 1.00 %	61.54	38.95
b) Impact due to decrease of 1.00 %	62.78	39.74
Impact of the change in salary increase		
Present value of obligation at the end of the year	62.16	39.34
a) Impact due to increase of 1.00 %	62.78	39.74
b) Impact due to decrease of 1.00 %	61.54	38.95

47. Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments in equity instruments	11.57	480.13	-	250.16	475.40	-
Investments in mutual funds	1,253.62	-	-	214.25	-	-
Investments in Debenture		-	-	56.06	-	-
Trade receivables	-	-	3,756.87	-	-	2,726.05
Loans	-	-	60.24	-	-	171.74
Security deposit	-	-	115.79	-	-	168.92
Cash and equivalents	-	-	81.25	-	-	409.26
Other financial asset	-	-	692.76	-	-	608.20
Derivative financial Assets	10.07	-	-	-	-	-
Margin money	-	-	481.77	-	-	567.03
Total	**1,275.26**	**480.13**	**5,188.68**	**520.46**	**475.40**	**4,651.20**
Financial liabilities						
Borrowings	-	-	5,641.25	-	-	7,205.41
Trade payable	-	-	4,471.18	-	-	2,171.37
Security deposit	-	-	78.59	-	-	159.38
Derivative financial liabilities	159.90	-	-	10.40	-	-
Other financial liabilities	-	-	93.51	-	-	67.46
Total	**159.90**	**-**	**10,284.53**	**10.40**	**-**	**9,603.62**

(a) Fair value hierarchy (₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements

	31st March 2018	31st March 2017
Financial assets		
Financial investements at FVOCI		
Equity instruments	480.13	475.40
Financial investements at FVTPL		
Equity instruments	11.57	250.16
Debentures	1,253.62	214.25
Derivative financial assets	10.07	56.06
Total financial assets	**1,755.39**	**995.87**
Financial liabilities		
Derivatives not designated as hedges		
Derivative financial liabilities	159.90	10.40
Total	**159.90**	**10.40**

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed

(₹ in millions)

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments						
Debenture	-	-		56.06	-	-
Mutual funds	1,253.62	-	-	214.25	-	-
Quoted equity instruments	11.57	-	-	250.16	-	-
Unquoted equity instruments	-	480.13	-	-	475.40	-
Derivative financial assets	10.07		0	0	0	0
Total financial assets	**1,265.19**	**480.13**	**-**	**520.46**	**475.40**	**-**
Financial liabilities						
Derivative financial liabilities	159.90	-	-	-	10.40	-
Total	**159.90**	**-**	**-**	**-**	**10.40**	**-**

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 millions)

Particulars	31st March 2018		31st March 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Carried at FVOCI				
Investments in equity instruments	480.13	480.13	475.40	475.40
Carried at amortised cost				
Trade receivables	3,756.87	3,756.87	2,726.05	2,726.05
Loans	60.24	60.24	171.74	171.74
Security deposit	115.79	115.79	168.92	168.92
Cash and equivalents	81.25	81.25	409.26	409.26
Other financial asset	692.76	692.76	608.20	608.20
Margin money	481.77	481.77	567.03	567.03
Investments in equity instruments				
Carried at FVTPL				
Investments in equity instruments	11.57	11.57	250.16	250.16
Derivative financial assets	10.07	10.07	-	-
Investments in mutual funds	1,253.62	1,253.62	214.25	214.25
Total financial assets	**6,944.07**	**6,944.07**	**5,591.01**	**5,591.01**

Particulars	31st March 2018		31st March 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Carried at amortised cost				
Borrowings	5,641.25	5,641.25	7,205.41	7,205.41
Trade payable	4,471.18	4,471.18	2,171.37	2,171.37
Security deposit	78.59	78.59	159.38	159.38
Other financial liabilities	93.51	93.51	67.46	67.46
Carried at FVTPL				
Derivative financial liabilities	159.90	159.90	10.40	10.40
Total financial liabilities	**10,444.43**	**10,444.43**	**9,614.02**	**9,614.02**

Subsequent to March 31, 2018, Shyam Metalics and Energy Limited (SMEL) is in the process of acquiring additional 17.09% of the shares of Shyam SEL and Power Limited (SSPL) from Narantak Dealcom Limited and Dorite Tracon Private Limited. Consequent to the acquisition, SMEL will be holding almost 100% of SSPL (99.77% directly and 0.23% indirectly held through its subsidiary and nominees).

(c) Fair value measurements

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised 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 categorised as level 2 in the fair value hierarchy.

(v) Management uses its best judgement 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 Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2018 and 31st March 2017.

48. Related party disclosure (As per Ind AS-24 - Related Party Disclosures)

Associates

Meghana Vyaapar Private Limited

Kecons Tradecare Private Limited

Kolhan Complex Private Limited

Joint Ventures

MJSJ Coal Limited

Kalinga Energy and Power Limited

Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the year:

Britasia Hydro Power Private Limited
Dorite Tracon Private Limited
Essel Plywood Private Limited
Godawari Natural Resources Limited
Improved Realtors Private Limited
Kalpataru Housefin & Trading Private Limited
Narantak Dealcomm Limited
Platinum Minmet Private Limited
Ranisati Vihar Private Limited
Salagram Power and steel Private Limited
Shyam Century Multi Projects Private Limited
Shyam Emco Private Limited
Shyam Ferro Alloys Limited
Shyam Greenfield Developers Private Limited
Shyam Solar Appliance Private Limited
Sindbad Hydro Power Private Limited
Subham Capital Private Limited
Suhag Overseas Trading Private Limited
Sunglow Complex Limited
Swarnrekha Abasan Private Limited
Toplight Mercantile Private Limited

Key Management Personnel

Shri Brij Bhushan Agarwal	Manging Director
Shri Sanjay Agarwal	Director
Shri Bhagwan Shaw	Director
Shri Bajrang Lal Agarwal	Director
Shri Dev Kumar Tewari	Director
Shri Deepak Kumar Agarwal	Director
Smt Kirandevi Vimal Agarwal	Director
Shri Venkata Krishna Nageswara Rao Majji	Director
Shri Ashok Kumar Jaiswal	Director
Shri Yudhvir Singh Jain	Director
Mr. Debasish Bandopadhyay	Director
Smt Susmita Roy	Company Secretary
Shri Shree Kumar Dujari	Chief Financial Officer

Relatives to Key Management Personnel

Relative's Name	Relation
Shri Mahabir Prasad Agarwal	Father of Shri Brij Bhushan Agarwal
Smt Sumitra Devi Agarwal	Mother of Shri Brij Bhushan Agarwal
Smt Mittu Agarwal	Wife of Shri Brij Bhushan Agarwal
Smt Anita Jhunjhunwala	Daughter of Mahabir Prasad Agarwal
Smt Bina Devi Agarwal	Wife of Shri Bajrang Lal Agarwal
Smt Pooja Agarwal	Wife of Shri Sanjay Agarwal
Ms. Ayushi Vimal Kumar Agarwal	Sister of Shri Aditya Vimal Kumar Agarwal
Shri Aditya Vimal Kumar Agarwal	Son of Smt Kiran Vimal Kumar Agarwal
Smt Suman Agarwal	Wife of Shri Aditya Vimal Kumar Agarwal

Disclosure of Related Party Transactions provides the information about the Group's structure. The following tables provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Type of Tranactions	Associate and Joint Venture Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel and / or their relatives have significant influence		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1. Sale of Goods								
Shyam Ferro Alloys Limited	-	-	-	-	96.72	423.41	96.72	423.41
Salagram Power and Steel Private Limited	-	-	-	-	-	267.96	-	267.96
2. Office Maintenance (Expense)								
Improved Realtors Private Limited	-	-	-	-	0.23	0.20	0.23	0.20
3. Purchase of Goods								
Shyam Ferro Alloys Limited	-	-	-	-	46.76	85.05	46.76	85.05
Shyam Solar Appliance Private Limited	-	-	-	-	-	0.06	-	0.06
Salagram Power and Steel Private Limited	-	-	-	-	-	3.48	-	3.48
4. Rent Paid (Net of TDS)								
Toplight Mercantile Private Limited	-	-	-	-	0.60	0.60	0.60	0.60
Improved Realtors Private Limited	-	-	-	-	0.20	0.18	0.20	0.18
Hrashva Storage and Warehousing Private Limited	-	-	-	-	0.08	0.04	0.08	0.04

5. Rent Received

Type of Tranactions	Associate and Joint Venture Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel and / or their relatives have significant influence		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Dorite Tracon Private Limited	-	-	-	-	-	0.01	-	0.01
Essel Plywood Private Limited	-	-	-	-	-	0.01	-	0.01
Narantak Dealcomm Limited	-	-	-	-	0.45	0.45	0.45	0.45
Shyam Solar Appliances Private Limited	-	-	-	-	-	0.12	-	0.12
Subham Capital Private Limited	-	-	-	-	0.52	0.53	0.52	0.53
Toplight Mercantile Private Limited	-	-	-	-	-	0.01	-	0.01
Salagram Power and Steel Private Limited	-	-	-	-	-	0.03	-	0.03
6. Purchase of Fixed Assets								
Shyam Solar Appliance Private Limited	-	-	-	-	-	0.27	-	0.27
Salagram Power and Steel Private Limited	-	-	-	-	-	1.03	-	1.03
7. Key Managerial Personnel Compensation (Short Term Employee Benefits)								
Mr. Bajrang Lal Agarwal	-	-	6.00	0.36	-	-	6.00	0.36
Mr. Pawan Kumar Agarwal	-	-	-	0.12	-	-	-	0.12
Mr. Mahabir Prasad Agarwal	-	-	6.00	-	-	-	6.00	-
Mr. Brij Bhusan Agarwal	-	-	7.41	3.60	-	-	7.41	3.60
Mr. Sanjay Agarwal	-	-	3.78	1.80	-	-	3.78	1.80
Mr. Dev Kumar Tiwari	-	-	1.04	0.98	-	-	1.04	0.98
Mr. Bhagwan Shaw	-	-	0.23	0.33	-	-	0.23	0.33
Add : Advance Salary	-	-	0.02	-	-	-	0.02	-
Mrs. Susmita Roy	-	-	0.18	0.24	-	-	0.18	0.24
Mr. Sree Kumar Dujari	-	-	1.42	1.16	-	-	1.42	1.16
Mr. Deepak Kumar Agarwal	-	-	1.62	-	-	-	1.62	-
8.Purchase of Investments								
Hrashva Storage and Warehousing Private Limited	-	-	-	-	-	11.55	-	11.55
9. Sale of Investments								
Mittu Agarwal	-	-	-	42.08	-	-	-	42.08
Brij Bhusan Agarwal & Sons HUF	-	-	-	83.70	-	-	-	83.70
Pawan Kumar Agarwal	-	-	-	0.10	-	-	-	0.10

10. Unsecured Loans Repaid

Type of Tranactions	Associate and Joint Venture Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel and / or their relatives have significant influence		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Dorite Tracon Private Limited	-	-	-	-	-	50.80	-	50.80
Narantak Dealcomm Limited	-	-	-	-	-	113.00	-	113.00
Shyam Energy Limited	-	-	-	-	27.45	0.60	27.45	0.60

11. Unsecured Loans Received

Dorite Tracon Private Limited	-	-	-	-	-	50.80	-	50.80
Narantak Dealcomm Limited	-	-	-	-	-	113.00	-	113.00

12. Advances Given / Payment for Purchases

Damodar Aluminium Private Limited	-	-	-	-	0.95	-	0.95	-
Dorite Tracon Private Limited	-	-	-	-	73.05	-	73.05	-
Essel Plywood Private Limited	-	-	-	-	16.83	-	16.83	-
Hrashva Storage & Warehousing Private Limited	-	-	-	-	19.12	6.22	19.12	6.22
Kalinga Energy & Power Limited	-	-	-	-	0.01	-	0.01	-
Kalpataru HouseFin & Trading Private Limited	-	-	-	-	193.22	88.01	193.22	88.01
Kolhan Complex Private Limited	-	-	-	-	-	-	-	-
Narantak Dealcomm Limited	-	-	-	-	72.91	0.05	72.91	0.05
Salagram Power and Steel Private Limited	-	-	-	-	-	299.55	-	299.55
Shyam Business Solutions Private Limited	-	-	-	-	-	0.37	-	0.37
Shyam Energy Limited	-	-	-	-	-	0.04	-	0.04
Shyam Emco Infrastructure Limited	-	-	-	-	35.35	-	35.35	-
Shyam Ferro Alloys Limited	-	-	-	-	40.48	251.46	40.48	251.46
Shyam Solar Appliance Private Limited	-	-	-	-	0.36	2.15	0.36	2.15
Sindbad Hydro Power Private Limited	-	-	-	-	-	1.12	-	1.12
Subham Buildwell Private Limited	-	-	-	-	27.10	31.51	27.10	31.51
Subham Capital Private Limited	-	-	-	-	3,064.11	1,439.84	3,064.11	1,439.84
Swarnrekha Abasan Private Limited	-	-	-	-	6.40	3.30	6.40	3.30
Toplight Mercantile Private Limited	-	-	-	-	61.50	2.00	61.50	2.00

13. Advances Received / Receipt against Sale

Type of Tranactions	Associate and Joint Venture Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel and / or their relatives have significant influence		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Damodar Aluminium Private Limited		-	-	-	0.95	-	0.95	-
Dorite Tracon Private Limited	-	-	-	-	73.05	-	73.05	-
Essel Plywood Private Limited	-	-	-	-	16.83	-	16.83	-
Hrashva Storage and Warehousing Private Limited			-	-	4.85	6.18	4.85	6.18
Kalinga Energy & Power Limited	-	-	-	-	0.01	-	0.01	-
Kalpataru HouseFin & Trading Private Limited	-	-	-	-	193.22	88.01	193.22	88.01
Narantak Dealcomm Limited	-	-	-	-	72.91	0.51	72.91	0.51
Salagram Power and Steel Private Limited	-	-	-	-	-	424.71	-	424.71
Shyam Business Solutions Private Limited			-	-	-	0.37	-	0.37
Shyam Energy Limited	-	-	-	-	0.07	0.04	0.07	0.04
Shyam Emco Infrastructure Limited	-	-	-	-	35.35	-	35.35	-
Shyam Ferro Alloys Limited	-	-	-	-	156.08	551.83	156.08	551.83
Shyam Solar Appliance Private Limited	-	-	-	-	0.36	2.00	0.36	2.00
Godawari Natural Resources Limited	-	-	-	-	-	0.67	-	0.67
Sindbad Hydro Power Private Limited	-	-	-	-	-	1.12	-	1.12
Subham Buildwell Private Limited	-	-	-	-	27.10	2.51	27.10	2.51
Subham Capital Private Limited	-	-	-	-	3,064.11	1,440.37	3,064.11	1,440.37
Swarnrekha Abasan Private Limited	-	-	-	-	6.40	3.30	6.40	3.30
Toplight Mercantile Private Limited	-	-	-	-	61.50	2.00	61.50	2.00

14. Balances outstanding on account of Receivables/(Payable)

Type of Tranactions	Associate and Joint Venture Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel and / or their relatives have significant influence		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Hrashva Storage and Warehousing Private Limited	14.19	-	-	-	-	-	14.19	-
Platinum Minmet Private Limited	-	-	-	-	-	0.10	-	0.10
Shyam Solar Appliance Private Limited	-	-	-	-	-	0.02	-	0.02
Swarnrekha Abasan Private Limited	-		-	-	-	0.10	-	0.10
Damodar Aluminium Private Limited	0.96	0.96	-	-	-	-	0.96	0.96
Singhbhum Steel & Power Private Limited	1.07	1.07	-	-	-	-	1.07	1.07
Meadow Housing Private Limited	-	-	-	-	2.90	2.90	2.90	2.90
Godawari Natural Resources Limited	-	-	-	-	0.18	0.18	0.18	0.18
Renaissance Hydro Power Private Limited	0.01	0.04	-	-	-	-	0.01	0.04
Salagram Power and Steel Private Limited	-	-	-	-	-	127.79	-	127.79
Shyam Energy Limited	-	(27.45)	-	-	-	(27.45)	-	(54.90)
Dorite Tracon Private Limited	-	-	-	-	64.13	4.53	64.13	4.53
Narantak Dealcomm Limited	-	-	-	-	228.50	8.04	228.50	8.04
Shyam Ferro Alloys Limited	-	-	-	-	(0.03)	73.21	(0.03)	73.21

49. 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 Group is carry its borrowings primarily at variable rate. The Group expects the variable rate to decline, accordingly the Group is currently carrying its loans at variable interest rates.

(₹ in millions)

	31st March 2018	31st March 2017
Variable rate borrowings	2,922.44	6,940.34
Fixed rate borrowings	518.31	265.05

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 millions)

	Effect on Profit before tax	
	31st March 2018	31st March 2017
Increase by 50 basis points (31st March, 2017: 50 bps)	(14.61)	(34.70)
Decrease by 50 basis points (31st March, 2017: 50 bps)	14.61	34.70

b) Foreign currency risks

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency.

(₹ in millions)

Nature of Item	Currency	31st March 2018		31st March 2017	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Buyer's Credit	USD ($)	5.89	383.10	5.19	500.51
Creditors	USD ($)	31.98	2,080.11	19.42	1,253.90
Debtors	USD ($)	23.33	1,517.58	15.13	845.94
Term Loan	USD ($)	26.22	1,617.80	42.48	3,000.77
Working Capital Demand Loan / Packing Credit	USD ($)	5.69	370.52	10.87	704.68

Nature of Item	Currency	31st March 2018		31st March 2017	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Debtors	EURO	5.12	411.47	0.53	23.05

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.

Particulars	Effect on Profit/(Loss) before tax	
	31st March 2018	31st March 2017
USD Sensitivity		
Increase by 5% (31st March, 2017 - 5%)	(298.46)	(290.26)
Decrease by 5% (31st March, 2017 - 5%)	298.46	290.26

Particulars	Effect on Profit/(Loss) before tax	
	31st March 2018	31st March 2017
EURO Sensitivity		
Increase by 5% (31st March, 2017 - 5%)	0.26	0.03
Decrease by 5% (31st March, 2017 - 5%)	(0.26)	(0.03)

c) 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 ₹ 6,944.06 and ₹ 5,591.02 millions, as at March 31, 2018 and 2017 respectively , being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and other financial assets.

d) 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 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.

(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 12. 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 31st March 2018 and 31st March 2017 is the carrying amount.

e) Derivative financial instruments

Derivative instruments used by the Group include interest rate swaps. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" to the extent possible. The Group does not hold or issue derivative financial instruments for trading purpose. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

(₹ in millions)

Notional Amount	To Pay	To Receive	31st March 2018	31st March 2017
USD 50,00,000	2.39%	3 Months Libor	-	40.52
USD 50,00,000	2.33%	3 Months Libor	-	40.52
USD 50,00,000	2.28%	3 Months Libor	-	40.52
USD 20,00,000	1.23%	3 Months Libor	-	321.09
USD 20,00,000	1.65%	3 Months Libor	620.80	862.50
USD 15,00,000	1.86%	3 Months Libor	460.40	625.18

(B) Liquidity 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 millions)

Particulars	Upto 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31st March 2018					
Contractual maturities of borrowings	1,389.59	231.75	1,260.14	552.54	3,434.02
Contractual maturities of finance lease obligations	210.67	0.61	0.07	-	211.35
Contractual maturities of trade payables	4,471.16	-	-	-	4,471.16

Particulars	Upto 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31st March 2017					
Contractual maturities of borrowings	1,608.94	770.40	1,025.57	27.05	3,431.96
Contractual maturities of finance lease obligations	209.96	0.78	0.71	-	211.45
Contractual maturities of trade payables	2,171.37	-		-	2,171.37

50. Value of imports calculated on CIF Basis

(₹ in millions)

Particulars	31st March 2018	31st March 2017
Raw Materials	5,755.65	3,835.85

51. Capital Management

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 millions)

Particulars	31st March 2018	31st March 2017
Borrowings (Note - 20, 26 and 28)	5,641.25	7,205.41
Trade payables (Note-27)	4,471.18	2,171.37
Less: Cash and cash equivalents (Note-13)	81.25	409.26
Less: Current investments (Note - 11)	1,331.75	520.49
Net debt	8,699.43	8,447.03
Equity	467.22	467.22
Other Equity	18,087.82	13,490.33
	18,555.04	**13,957.55**
Capital and net debt	2.13	1.65
Gearing ratio	31.92%	37.70%

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 years ended 31st March, 2018 and 31st March, 2017.

52. Statutory auditors' remuneration (excluding goods and service tax) and expenses : (₹ in millions)

Particulars	31st March 2018	31st March 2017
Statutory Audit Fees	1.70	1.30
Tax Audit Fees	0.28	0.28
Fees for Other Services	0.27	0.23
Total	**2.25**	**1.81**

53. Additional Information

i) Expenditure in Foreign Currency (on accrual basis) (₹ in millions)

Particulars	31st March 2018	31st March 2017
Travelling expenses	0.83	0.95
Demurrage Charges on Import of Raw Materials	9.58	2.42
Raw Materials	2,241.29	691.21
Interest on Loan	133.98	177.23

ii) Earnings in Foreign Currency (on accrual basis) (₹ in millions)

Particulars	31st March 2018	31st March 2017
Exports (F.O.B. value)	6,990.52	4,935.72

54. The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.608% and the reported tax expense in profit or loss are as follows :-

Effective Tax Reconciliation (₹ in millions)

Particulars	31st March 2018	31st March 2017
Accounting profit before income tax	5,054.12	755.63
Enacted tax rate in India	34.61%	34.61%
Computed expected tax expenses	1,749.23	261.52
Tax holidays	(1,386.63)	(586.10)
Income exempted from tax	(7.93)	(0.80)
Other Adjustments	(248.14)	277.94
Income Tax recognised in Profit and Loss account	**(106.53)**	**47.44**

55. Details of CSR expenditure:

Expenditure towards Corporate Social Responsibility as per Companies Act, 2013 read with Rules and Regulations thereof is treated as an appropriation of profit.

For The Year Ended 31st March 2018 (₹ in millions)

Particulars	Amount	In cash	Yet to be paid in cash	Total
Gross amount required to be spent by the Group during the year	-	-	-	-
Expenditure incurred during the period	15.20	15.20	-	15.20

For The Year Ended 31st March 2017 (₹ in millions)

Particulars	Amount	In cash	Yet to be paid in cash	Total
Gross amount required to be spent by the Company during the year	19.97	-	-	19.97
Amount Spent during the year towards activities specified	19.97	5.66	14.31	19.97
i) Construction/ acquisition of any assets	-	-	-	-
ii) On purpose other than (i) above	19.97	5.66	14.31	19.97

56. 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.

57. Long Term and Derivative Contract

The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.

58. Figures of previous year have been regrouped/rearranged/rectified wherever necessary to make them comparable with the current periods figures

59. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

60. List of Subsidiaries, Associates & Joint Ventures included in the Consolidated Financial Statements are as under:

Name of Companies	Country of Incorporation	As at 31st March 2018	As at 31st March 2017
Subsidiary			
Shyam Sel and Power Limited	India	82.70%	57.29%
Shyam Business Solutions Private Limited	India	54.33%	54.33%
Damodar Aluminium Private Limited	India	54.15%	54.15%
Singhbhum Steel & Power Private Limited	India	91.45%	91.45%
Shyam Ores (Jharkand) Private Limited	India	50.00%	NA
Renaissance Hydro Power Private Limited	India	99.80%	NA
Shyam Minmet Afrcia (P) Limited		NA	NA
Step Down Subsidiary			
Whispering Developers Private Limited	India	56.03%	38.71%
Taurus Estates Private Limited	India	74.04%	51.16%
Shyam Energy Limited	India	71.70%	49.53%
Hrashva Storage and Warehousing Private Limited (Formerly known as Uttar Purva Hydropower Private Limited)	India	75.85%	56.41%
Meadows Housing Private Limited	India	82.14%	56.75%
Salagram Power & Steel Private Limited (formerly known as Shyam IT Park Developers Private Limited)	India	NA	NA
Shyam Business Solutions Private Limited	India	NA	NA
Shyam Ores (Jharkand) Private Limited	India	NA	NA
S S Natural Resources Private Limited	India	NA	34.38%
Associate			
Meghana Vyapaar Private Limited	India	33.51%	33.51%
Godawari Natural Resources	India	NA	NA
Kecons Tradecare Private Limited	India	47.32%	47.32%
Platinum Minimet Private Limited	India	NA	NA
Shyam Minimet Private Limited	India	NA	NA
Kolhan Complex Private Limited	India	29.87%	32.26%
Shyam Sel and Power Limited	India	NA	NA
Meadow Housing Private Limited	India	NA	NA
Joint Venture			
MJSJ Coal Limited	India	9%	9%
Kalinga Energy and Power Limited	India	50%	50%
Shyam Emco Infrastructure Private Limited	India	NA	50%

61. Statement containing salient features, pursuant to, Schedule III of the Companies Act 2013:

Name of the entity in the group	As at March 31, 2018							
	Net Assets i.e. total assets minus Liabilities		Share in profit and loss		Share in other comprehensive		Share in total comprehensive income	
	As % of Consolidated Net Assets	(Amount in Rs. millions)	As % of Consolidated Profit & Loss	(Amount in Rs. millions)	As % of Consolidated Other Comprehensive Income	(Amount in Rs. millions)	As % of Consolidated Total Comprehensive Income	(Amount in Rs. millions)
Parent								
Shyam Metalics and Energy Limited	40.66%	8,397.43	53.62%	2,839.55	-19.51%	12.02	54.48%	2,851.57
Subsidiaries								
Shyam Sel & power Limited	47.47%	9,802.90	26.21%	2,424.85	86.10%	(53.04)	25.51%	1,335.08
Shyam Business Solutions Private Limited	0.13%	27.77	0.00%	(0.01)	0.01%	(0.01)	0.00%	(0.02)
Damodar Aluminium Private Limited	0.11%	21.93	0.12%	6.37	0.00%	-	0.12%	6.37
Singhbhum Steel & Power Private Limited	0.05%	9.70	0.00%	-	0.00%	-	0.00%	-
Shyam Ores (Jharkhand) Private Limited	0.01%	1.62	0.00%	-	0.00%	-	0.00%	-
Rennaisance Hydropower Private Limited	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
Step down subsidiaries								
Whispering Developers Private Limited	0.03%	7.18	0.00%	-	0.00%	-	0.00%	-
Taurus Estates Private Limited	0.04%	8.16	0.00%	-	0.00%	-	0.00%	-
Shyam Energy Limited	0.93%	191.29	0.00%	-	0.00%	-	0.00%	-
Hrashva Storage and Warehousing Private Limited	0.25%	52.38	0.01%	0.33	0.00%	-	0.01%	0.33
Meadow Housing Private Limited	0.05%	10.24	0.00%	-	0.00%	-	0.00%	-
Non controlling Interest in all Subsidiaries	10.15%	2,095.41	19.58%	-	33.39%	(20.57)	19.41%	1,016.16
Associates	0.00%							
Kecons Tradecare Private Limited	0.00%	0.06	0.00%	0.06	0.00%	-	0.00%	0.06
Meghana Vyapar Private Limited	0.12%	24.40	0.46%	24.40	0.00%	-	0.47%	24.40
Kolhan Complex Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TOTAL	**100%**	**20,650.52**	**100%**	**5,295.54**	**100%**	**(61.60)**	**100%**	**5,233.95**

As per our report of even date attached.

For, **S. K. Agrawal & Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571
Place: Kolkata
Date : 15-05-2018

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Director
DIN 00232938

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary

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