



**SHYAM
METALICS**
ORE TO METAL



The background of the entire page is a composite image. On the left, a male athlete in a blue and white striped shirt and black pants is captured in a dynamic, forward-leaning pose, as if running or jumping. On the right, another male athlete in a blue singlet and black shorts with white patterns is also in a dynamic pose, appearing to be in motion. The background is a dark industrial setting, likely a steel mill, with glowing orange and yellow molten metal and a large spray of bright sparks emanating from the right side. The overall color palette is dominated by the blues of the athletes' clothing and the oranges and yellows of the industrial environment.

The next level

Shyam Metals and Energy Limited
Annual Report 2019-20

Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This Report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion on future performance.

We can not guarantee that these forward-looking statements will be realized, although we believe, we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

SHYAM METALICS & ENERGY LIMITED

CIN No. U40101WB2002PLC095491

CHAIRMAN	Mr. Mahavir Prasad Agarwal	BANKERS	Oriental Bank of Commerce
VICE CHAIRMAN AND MANAGING DIRECTOR	Mr. Brij Bhushan Agarwal		State Bank of India
JOINT MANAGING DIRECTOR	Mr. Sanjay Kumar Agarwal		Axis Bank Limited
WHOLE-TIME DIRECTOR	Mr. Deepak Kumar Agarwal		Allahabad Bank
	Mr. Dev Kumar Tiwari		ICICI Bank Limited
	Mr. Bhagwan Shaw		HDFC Bank Limited
INDEPENDENT DIRECTOR	Mr. Venkata Krishna		Yes Bank Limited
	Nageshwara Rao Majji	REGISTERED OFFICE	South India Bank
	Mr. Ashok Kumar Jaiswal		IDFC Bank Limited
	Mr. Yudhvir Singh Jain		“Trinity Tower”
	Mr. Ajay Choudhury		83, Topsia Road, 7th Floor
	Mr. Kishan Gopal Baldwa	CORPORATE OFFICE	Kolkata - 700 046
DIRECTOR	Mrs. Kiran Vimal Agrawal		“Viswakarma”
CHIEF FINANCIAL OFFICER	Mr. Shree Kumar Dujari		86C, Topsia Road, 1st Floor
COMPANY SECRETARY	Mr. Birendra Kumar Jain	PLANT LOCATIONS	Kolkata - 700 046
STATUTORY AUDITOR	M/s. S. K. Agarwal & Co. Chartered Accountants The Chambers, Suit No 606-608 Opp Gitanjali Stadium 1865, Rajdanga Main Road Kasba, Kolkata - 700 107		Sambalpur, Odisha
EMAIL	cs@shyamgroup.com	REGISTRAR & TRANSFER AGENT	Jamuria, West Bengal
WEBSITE	www.shyammetals.com		Mangalpur, West Bengal
			M/s. ABS Consultants Pvt. Ltd. 99, Stephen House, 6th Floor 4, B. B. D. Bag (East) Kolkata - 700 001 Phone : +91 33 2230 1043 / 0153 E-mail : absconsultant@vsnl.net

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performing assets. Overall, increasing trade tensions, worsening financial market sentiments, intense social unrest across many countries, and sluggish economic growth led to slowdown in global economy.

ECONOMIC OUTLOOK

In view of the COVID-19 pandemic, there remains considerable uncertainty around the global economic forecast for 2020. According to the International Monetary Fund ('IMF'), global economy is projected to contract sharply by 4.9% in 2020, surpassing the decline seen during the global financial crisis a decade ago. Stark differences will be observed between impact of the pandemic on advanced economies, and emerging markets and developing economies owing to differences in governance capacity, health care systems, strength of financial institutions, and currency strength. Growth is expected to be slower in most advanced economies. Countries in the emerging market and developing economies will also witness a slump in growth due to external demand shock, tightening in global financial conditions, and a plunge in commodity prices. In China, where recovery from the sharp contraction in the first quarter is underway, growth is projected at 1% in 2020, supported in part by policy stimulus. The IMF projects a partial recovery in 2021, however, the level of GDP growth is expected to remain below the pre-COVID-19 trend, with uncertainty about strength of the rebound. India's economy in the Financial Year 2020-21 is projected to grow at a slower pace following a longer period of lockdown and slower rate of recovery than anticipated. Effective policies and fiscal measures by the Government will be essential to forestall contraction of growth

STEEL INDUSTRY OVERVIEW

The COVID-19 pandemic has severely affected economies and industries globally and the steel industry is no exception. Therefore, outlook for the steel industry includes scenarios regarding the pandemic's speed of propagation, possible recurrence, near-term impact of measures being taken to contain the outbreak, and the effectiveness of the stimulus announced by the Governments of various nations. After slower than expected growth in 2019, steel demand is estimated to contract significantly in the Financial Year 2020-21. According to the World Steel Association ('WSA'), it is possible that the impact on steel demand in relation to the expected contraction in GDP may turn out to be less severe than that seen during the erstwhile global financial crisis. In comparison with other sectors, the manufacturing sector is expected to rebound quicker though supply chain disruptions are likely to continue. Most of the steel producing regions are expected to witness a decline in crude steel output due to production cuts amidst ongoing lockdowns. However, it is expected that compared to other countries, China will move faster towards normalisation of economic activity as it was the first country to come out of the COVID-19 crisis. Governments of different nations have announced sizeable stimulus packages which are expected to favour steel consumption through investment in infrastructure and other incentives for the steel industry. In India, muted demand and oversupply is likely to result in suppressed steel prices and capacity utilisation in the near term. Since India depends largely on migrant labour, restarting construction and infrastructure projects will be a challenge. The demand from infrastructure, construction, and real estate sectors is likely to be subdued in the first half of the Financial Year 2020-21 due to the lockdown during the first quarter followed by the monsoons during the second quarter. Further, the demand from automobile, white goods, and capital goods sectors is likely to reduce significantly with consumers deferring discretionary spends in the near term. Effective government stimulus and return of consumer confidence is likely to be the key driver for a gradual recovery over the second half of the Financial Year 2020-21.

Strategy

During the year under review, the Company continued to focus on operational and marketing excellence to counter adverse business conditions. The Company aspires to be the most valuable and respected steel company in the world for which it has taken steps to be structurally, financially, and culturally future-ready. The Company continues to place special emphasis on strengthening its financial profile to enable future growth and to achieve volume growth while remaining cost competitive. The ongoing integration and improvement initiatives undertaken at Tata Steel BSL Limited (formerly Bhushan Steel Limited) and Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) have helped to unlock synergies and improve cost competitiveness while enhancing the capacity utilisation of the production units. The focus on driving digital transformation and greater efficiency through One IT and an integrated supply chain structure continue to unlock value for the Company. The Services and Solutions portfolio and New Materials Business (Graphene & Fibre Reinforced Polymer) have put in place the requisite enablers for the Company to scale up. Building a culture of Agility and Innovation has been identified as an important lever to make the Company fit for the future. The Company has taken many initiatives to inculcate Agility in the organisation

Directors' Report

through experiments on agile ways of working in new businesses and enabling functions in core businesses along with process simplification. The learnings from the experiments will be used to create the blueprint for organisation wide deployment over the next couple of years. During the year under review, the Innovation framework in the Company was strengthened by putting in place the required teams and governance structure. The Company has made significant progress in Leadership in technology, a key aspect of the Company's strategy. Several Technology Leadership Areas are being worked upon enabled by creating required knowledge partnerships and leveraging the agility and innovativeness of start-ups. The Company has made progress towards imbibing Industry 4.0 and is the only steel company to have two digital lighthouses, as recognised by World Economic Forum. The Company aspires to further strengthen its leadership position in the industry and is pursuing the following priorities in the medium term: Industry leadership in Steel: India is amongst the fastest growi

➤ 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 Gross revenue has deeped from Rs. 46864.11 million in the FY'2018-19 to Rs. 4541.76 million in the FY 2019-20. The PBT also decrease from Rs. 7629.62 million for the FY'2018-19 to Rs.2953.79 million in the current year. PAT decreased from Rs. 6358.48 million in 2018-19 to Rs 3402.44 million in 2019-20.

The Net Worth of company increased from Rs 18512.52 million as on 31st March, 2019 to Rs 19579.52 million as on 31st March, 2020, 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, 2020 was Rs 233,61,01,000. The Company has not issued any shares or securities with differential voting rights nor granted stock options nor sweat equity.

➤ DEMATERIALISATION OF SHARES

As on the reporting date, 23,36,10,100 equity shares, representing about 100% 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.

➤ CREDIT RATING

The company has updated the financial credit rating of AA- Stable for long term banking facilities and A1+ for short term banking facilities by CRISIL. The rating underscores the financial strength of the company in terms of the highest safety with regard to timely fulfillment of its financial obligations.

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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 has started Commercial production of DRI , SMS and Pellets in the month of April, 2019 and CPP and WRM in the month of September, 2019 . Your Directors are looking to expand the capacity in every fields of production.

➤ SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

As on 31st March 2020, your Company has 5 subsidiaries, namely Shyam Sel and Power Ltd, Damodar Aluminium Pvt. Ltd, Singhbhum Steel & Power Private Limited , Renaissance Hydro Power Private Limited.and Kalinga Inpro Project Ltd (19/08/2019) and Meadow Housing Private Limited. Shyam Energy Limited., Whispering Developers Pvt. Ltd. and Taurus Estate Pvt. Ltd. Hrashva Storage and Warehousing Pvt Ltd and Nirjhar Commodities 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, and d Kolhan Complex Private Limited 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."**

- Meeting of the Board and Committees

During the year Senen (7) Board Meetings, Two (2) Audit Committee Meetings, two (2) Nomination and Remuneration Committee meeting and One (1) 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:

Directors' Report

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
A Board Meetings											
11.06.2019	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	-	-	-
07.09.2019	Yes	Yes	Yes	-	Yes	Yes	-	-	-	-	-
25.10.2019	Yes	-	Yes	Yes	-	Yes	Yes	-	-	-	Yes
18.11.2019	Yes	Yes	-	-	-	Yes	-	-	-	-	-
25.11.2019	Yes	Yes	Yes	-	-	Yes	Yes	Yes	-	-	-
09.12.2019	Yes	Yes	Yes	-	-	Yes	-	-	-	-	-
05.03.2020	Yes	Yes	Yes	-	-	Yes	-	Yes	-	-	Yes
B Audit Committee Meetings											
11.06.2019	-	Yes	-	-	-	-	-	Yes	-	-	Yes
05.03.2020	-	Yes	-	-	-	-	-	Yes	-	-	-
C Nomination & Remuneration Committee											
11.06.2019	-	-	-	-	-	-	Yes	Yes	-	-	Yes
05.03.2020	-	-	-	-	-	-	Yes	Yes	-	-	Yes
D Corporate Social Responsibility Committee											
21.03.2020	Yes	Yes	-	-	-	Yes	-	Yes	-	-	Yes

- 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:

Mr Ajay choudhury (Independent Director)

Mrs. Mahabir Prasad Agarwal (Non-Executive Director)

Mr. Rupanjana De upto 25.10.2019 (Independent Director)

➤ 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.

Directors' Report

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

Shri Deepak Kumar Agarwal (DIN: 00560010.) and Mahabir Prasad Agarwal (DIN: 00235780), Directors retire by rotation and, being eligible, offer themselves for re appointment. The Board of Directors recommends their re-appointment.

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, 2020 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:**

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors fulfill the conditions of independence specified in Section 149 (6) of the Companies Act, 2013 and Rules made there-under. They have filed their declaration with the Company at the beginning of the Financial Year 2019-20 affirming that they continue to meet the criteria of Independence as provided in Section 149(7) of the Companies Act, 2013 in respect of their position as an "Independent Director of the Company".

The Independent Directors had a meeting on 05.03.2020 to review the performances and evaluation criterias of the Non-Independent Directors and 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.

➤ **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.

Directors' Report

➤ 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. Kishan Gopal Baldwa Chairman (Independent Director)

Mr. Sanjay Kumar Agarwal Member (Whole Time Director)

Mr. Ashok Kumar Jaiswal (Independent Director)

Mr. Yudhvair Singh Jain (Independent Director)

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

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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 AUDITORS' 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 requirements of the Act M/s. S.K.Agrawal & Co., Chartered Accountants (firm 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 General 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 2018-19.

The Board of Directors have re-appointed M/s Abhimanyu Nayak and Associates as the Cost Auditors for the financial year ended 2019-20 in the Board Meeting held on 11th June, 2019 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 order 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 the Companies (appointment and Remuneration of Managerial Personnel) Rule, 2014, your company has appointed Ms DS&Associates LLP Practicing Company Secretary having CP no 12963 to conduct the Secretarial Audit of your company for the financial year , 2019-20 . The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith as "Annexure-E" to this report, The Secretarial Audit Report does not contain any qualification, reservation and adverse 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.

Directors' Report

➤ 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

Date : 28th September, 2020

Place : Kolkata

Brij Bhushan Agarwal
Managing Director
(DIN: 01125056)

Sanjay Agarwal
Director
(DIN: 00232938)

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

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FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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	10.12.2002
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.	K Fin Technologies Pvt Ltd, Town B, Plot 31432. Selenium Buildup Financial District, Nanakramguda, Gachibowli, Telangana - 500 032

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	26.69
2	Billet	24109	28.19
3	TMT Bar	24109	19.67

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N.	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	100	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	Kalinga Infra Project Ltd (19/08/2019) A17/10 Surya Nagar ist floor, Unit II Bhubaneswar -751003	U45201OR2008PLC010323	Subsidiary	90.00	2(87)
5	Renaissance Hydro & Power Private Limited Pvt. Ltd., "Viswakarma" 1st Floor, 86C, Topsia Road Kolkata-700046	U74999WB2011PTC169369	Subsidiary	99.80	2(87)
6	Meadow Housing Pvt Ltd "Viswakarma" 1st Floor, 86C, Topsia Road Kolkata-700046	U45400WB2010PTC155991	Subsidiary	99.05	2(87)

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S. N.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7	Nirjhar Commercial Pvt Ltd 5, C.R. Avenue Princep Street Kolkata-700072	U10100WB2014PTC201404	Subsidiary	58.00	2(87)
8	Shree Sikhar Iron and Steel Pvt Ltd 5, C.R. Avenue Princep Street Kolkata-700072	U27109WB2005PTC103768	Subsidiary	99.91	2(87)
9	Hrashva Storage and Warehousing Pvt Ltd 926.04.2019) "Trinity Tower" 7th Floor, 83, Topsia Road Kolkata-700046	U27100WB2011PTC167354	Subsidiary	100.00	2(87)
10	Shyam Energy Limited, "Viswakarma" 1st Floor, 86C, Topsia Road Kolkata-700046	U40102WB2002PLC094303	Subsidiary	87.12	2(87)
11	Taurus Estate Pvt Ltd., "Trinity Tower" 7th Floor, 83, Topsia Road Kolkata-700046	U45400WB2010PTC156200	Subsidiary	89.29	2(87)
12	Whispering Developers Pvt Ltd., "Viswakarma" 1st Floor, 86C, Topsia Road Kolkata-700046	U45400WB2010PTC155993	Subsidiary	67.57	2(87)
13	Meghana Vyapar Pvt. Ltd., 5, C.R. Avenue, 3rd Floor, Kolkata-700072	U51909WB1995PTC075497	Associate	33.51	2(6)
14	Kolhan Complex Private Limited., 5, C.R. Avenue, 3rd Floor, Kolkata-700072	U70102WB2008PTC126636	Associates	49.88	2(6)
15	Kecons Trade Care Pvt. Ltd. "Vishwakarma" 86-C, Topsia Road, 2nd Floor Kolkata-046	U51909WB1995PTC073411	Associate	47.32	2(6)
16	MJSJ Coal Ltd., House No.42 (1st Floor), Anand Nagar Hakimpara, P.O. Angul Angul Orissa-759153	U10200OR2008GOI010250	Joint Venture	9	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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2,68,40,175	-	2,68,40,175	11.49%	2,68,40,175	-	2,68,40,175	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.	20,67,69,925	-	20,67,69,925	88.51%	20,67,69,925	-	20,67,69,925	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)	23,36,10,100	-	23,36,10,100	100.00%	23,36,10,100	-	23,36,10,100	100.00%	0.00%

Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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)	23,36,10,100	-	23,36,10,100	100.00%	23,36,10,100	-	23,36,10,100	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) FIs			-	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%
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%

Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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)	23,36,10,100	-	23,36,10,100	100.00%	23,36,10,100	-	23,36,10,100	100.00%	0.00%

(i) Category-wise Share Holding

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	

Directors' Report

(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	2500	0.00%	NIL	2500	0.00%	NIL	0.00%
2	Sanjay Kumar Agarwal	31580	0.01%	NIL	31580	0.01%	NIL	0.00%
3	Mahabir Prasad Agarwal	2525	0.00%	NIL	2525	0.00%	NIL	0.00%
4	Brij Bhushan Agarwal	23284820	9.97%	NIL	23284820	9.97%	NIL	0.00%
5	Brij Bhushan Agarwal (HUF)	2250000	0.96%	NIL	2250000	0.96%	NIL	0.00%
6	Mittu Agarwal	11,33,750	0.49%	NIL	11,33,750	0.49%	NIL	0.00%
7	Dorite Tracon Private Limited.	1,51,96,665	6.51%	NIL	1,51,96,665	6.51%	NIL	0.00%
8	Kalpataru Housfin & Trading Private Limited	2,22,19,150	9.51%	NIL	2,22,19,150	9.50%	NIL	-0.01%
9	Narantak Dealcomm Limited	5,40,63,340	23.14%	NIL	5,40,63,340	23.14%	NIL	0.00%
10	Subham Capital private Limited	4,19,94,770	17.98%	NIL	4,19,94,770	17.98%	NIL	0.00%
11	Subham Buildwell Private Limited	7,25,97,250	31.08%	NIL	7,25,97,250	31.08%	NIL	0.00%
12	Toplight Mercantiles Private Limited	6,98,750	0.30%	NIL	6,98,750	0.30%	NIL	0.00%
13	Sangeeta Agarwal	45,000	0.02%	NIL	45,000	0.02%	NIL	0.00%
14	Anita Jhunjhunwala	45,000	0.02%	NIL	45,000	0.02%	NIL	0.00%
15	Kiran Vimal Agarwal	45,000	0.02%	NIL	45,000	0.02%	NIL	0.00%
	Total	23,36,10,100	100.00%		23,36,10,100	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
	At the beginning of the year	01.04.2019		23,36,10,100	100.00%	23,36,10,100	100.00%
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2020		23,36,10,100	100.00%	23,36,10,100	100.00%

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

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

Directors' Report

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	19,954.40		4,232.10	24,186.50
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	19,954.40	-	4,232.10	24,186.50
Change in Indebtedness during the financial year				
* Addition	16,141.20			16,141.20
* Reduction			2,413.80	2,413.80
Net Change	16,141.20	-	2,413.80	18,555.00
Indebtedness at the end of the financial year				
i) Principal Amount	36,095.60		1,818.30	37,913.90
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	36,095.60	-	1,818.30	37,913.90

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 (Rs)
		Brij Bhushan Agarwal	Sanjay Kumar Agarwal	Deepak Kumar Agarwal	
		Managing Director	Whole Time Director	Whole-time Director	
1	Gross salary	206.30	41.30	36.00	283.60
	(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				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total (A)	206.30	41.30	36.00	283.60
	Ceiling as per the Act				

Directors' Report

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs)
		Dev Kumar Tiwari	Bhagwan Shaw	
		Designation	Whole-time Director	Whole-time Director
1	Gross salary	17.50	5.90	23.40
	(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)	17.50	5.90	23.40
	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	-	-	-	-

Directors' Report

ANNEXURE - B TO THE REPORT OF 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

Directors' Report

As per Form 'A' given hereafter

FORM A
Power & Fuel Consumption

Particulars	Unit	2019-20	2018-19
ELECTRICITY			
a) Purchased-			
Qty (in lakhs)	KWH	2963.60	2972.65
Value(Rs)		1427018000	188718657
Rate per unit (Rs.)		4.82	6.35
b) Own Generation Consumed			
Through Steam Turbine/Generator			
Units (Net)	KWH	576354000	631112000
Cost/Unit (Rs.)		1.00	2.25
Coal			
Coal (used for generation of steam in boilers)			
Qty(in Mt)			237996.16
Value (Rs)			237996160
Average Rate per Mt. (Rs.)		1000	1000

B. CONSUMPTION OF ELECTRICITY PER UNIT OF PRODUCTION

PARTICULARS	UNIT	2019-20	2018-19
Billet	MW	0.90	0.87
Sponge Iron (Including Coal Washery)	MW	0.06	0.06
TMT Bars	MW	0.21	0.20
Silico Manganese	MW	-	-
Ferro Manganese	MW	-	-
Ferro Chrome	MW	3.79	3.78
Iron Pellet	MW	0.12	0.12
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.

Directors' Report

- 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 million

Particulars	2019-20	2018-19
Earning: Export	450.33	1919.32
Outgo : Import	2818.63	3939.40
Outgo :Expenditure in Foreign Currency	13.13	7.32

Shyam Metals and Energy Limited

Directors' Report

ANNEXURE - C TO THE REPORT OF DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Shyam Metals & 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.Mahabir Prasad Agarwal -Chairman

Mr. Brij Bhushan Agarwal (Managing Director)

Ms. Rupanjana De (Independent Director)(upto 15.10.2019)

Average net profit of the company for last three financial years for the purpose of computation of CSR : ₹ 1873.00 million _

Prescribed CSR Expenditure (two per cent of the amount as in item 2 above) : ₹ 37.46 million _

Details of CSR spent during the financial year:

a. Total amount had been spent for the financial year: ₹ 23.38 million

b. Amount unspent: ₹ 14.08 (This amount is spent during the current financial year 2020-21)

C .Manner in which amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity Identified	Clause & Schedule No.	Sector in which the project is covered	Projects or Programs (1) local area or other (2)Specify the state and district where projects or programs was undertaken	Amt outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent : Direct or through implementaing agency	
								Direct	Implementing Agency
	Promoting Preventive HealthCare	Clause I Schedule VII	Eradicating hunger, poverty & malnutrition, promoting preventing health care and sanitation and making available safe drinking water;	Orissa		4.25	4.25	4.25	-
2	Promoting Education	Clause II Schedule VII	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects;	Orissa		1.57	1.57	1.57	-

Directors' Report

Sr. No.	CSR Project or Activity Identified	Clause & Schedule No.	Sector in which the project is covered	Projects or Programs (1) local area or other (2)Specify the state and district where projects or programs was undertaken	Amt outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent : Direct or through implementaing agency	
								Direct	Implementing Agency
3	Plantation and its Maintainance	Clause VI Schedule VII	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare,agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Orissa		0.51	0.51	0.51	-
4	Protection of art & culture	Clause VIII Schedule VII	Protection of National heritage, art & culture including restoration of buildings & site of historical importance & work of art; setting up public libraries; promotion and development of traditional arts & handicrafts;	Orissa		7.01	7.01	7.01	-
5	Promoting Sports	Clause X Schedule VII	Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;	Orissa		0.50	0.50	0.50	-
6	Rural Development	Clause X Schedule VI	Rural Development	Orissa		9.54	9.54	9.54	

Directors' Report

ANNEXURE - D TO THE REPORT OF 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 Imillion)

Sl. No.	Particulars				
		Damodar Alumunium Pvt. Ltd.	Singhbhum Steel & Power Ltd.	Shyam Sel and Power Ltd.	Renaissance Hydor Power Private Limited
1	Reporting Period for the Subsidiary concerned	31.03.2020	31.03.2020	31.03.2020	31.03.2020
2	Share Capital	1.77	1.17	441.26	.01
3	Reserves and Surplus	19.36	25.20	17362.31	(0.02)
4	Total Assets	21.23	30.26	26696.59	1.95
5	Total Liabilities	21.23	30.26	26696.59	1.95
6	Investments				
7	Turnover	0.04	1.02	23976.00	0
8	Profit before Taxation	-1.04	0.09	1976.10	-.01
9	Provision for Taxation	0.03	0.26	-399.42	0
10	Profit/(Loss) after Taxation	-1.07	0.97	2375.52	-0.1
11	Proposed Dividend	0	0	0	0
12	% of shareholding	54.15	91.45	100	100

Part "B": Associates and Joint Venture

Sl. No.	Particulars	Meghana Vyapar Pvt. Ltd.	Kecons Tradecare Pvt. Ltd.	Kolhan Complex Pvt Ltd
1	Latest Audited Balance Sheet Date	31.03.2020	31.03.2020	31.03.2020
2	Shares of Associate held by the Company on the Year end	100000	7407500	27800
3	Amount of Investment in Associate	2.90	100.00	
4	Extent of Holding %	33.51	47.41	2.50
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	50% 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	NA
	ii. Not Considered in Consolidation	NA	NA	NA

Directors' Report

Sl. No.	Name (S) of the related party	Nature of relationship	Amount (Million)	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
8	Shyam Ores(Jharkhand) Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influence	550.66	Advance given	Ongoing	Not exceeding 600.00 million	11.06.2019
9	Kalinga infra project limited	Enterprises over which Key Management Personnel and / or their relatives have significant influence	40.25	Advances received back	Ongoing	Not exceeding 50.00 million	11.06.2019
10	Shyam Sel & Power Limited	Subsidiary Company	796.39	Advances received back	Ongoing	Not exceeding 1000 million	11.06.2019
11	Damodar Alluminium Pvt Ltd	Subsidiary Company	40.25	Advances received back	Non Recurring	NA	11.06.2019
12	Shyam Ores (Jharkhand) Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influence	390.20	Advances received back	Non Recurring	NA	11.06.2019
13	Dorite Tracon Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influen	361.90	Loan given	Ongoing	NA	11.06.2019
14	Narantak Dealcomm Limited	Enterprises over which Key Management Personnel and / or their relatives have significant influen	756.00	Loan given	Ongoing	NA	11.06.2019
15	Subham Capital Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influen	645.00	Loan given	Ongoing	NA	11.06.2019
16	Shyam Emco Infracure Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influen	33.00	Loan given	Ongoing	NA	11.06.2019
17	Dorite Tracon Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influen	361.90	Loan received back	Ongoing	NA	11.06.2019
18	Narantak Dealcomm Limited	Enterprises over which Key Management Personnel and / or their relatives have significant influen	756.00	Loan received back	Ongoing	NA	11.06.2019
19	Subham Capital Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influen	645.00	Loan received back	Ongoing	NA	11.06.2019
20	Shyam Emco Infracure Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influen	33.00	Loan received back	Ongoing	NA	11.06.2019

Directors' Report

ANNEXURE - F TO THE REPORT OF DIRECTORS' 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

Directors' Report

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, 2020

➤ FINANCIAL RESULTS

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

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Total Revenue	44020.50	46864.11	21226.36	21703.40
Earnings before interest, tax, depreciation and amortization (EBITDA)	6529.79	10042.32	3020.71	4441.04
Less: Interest (Finance Cost)	608.97	470.55	421.37	278.77
278.77fit before Depreciation/amortization and taxes (PBDAT)	5920.82	9571.77	2599.34	4162.24
Less: Depreciation and amortization	2967.03	1942.15	1594.53	925.84
Profit before tax(PBT)	2953.79	7629.62	1004.81	3236.43
Adjustments for taxation				
Current Tax	574.48	1663.07	210.00	71 1.70
Deferred Tax	(1023.14)	(391.93)	(258.73)	(327.71)
Profit after tax(PAT)	3402.44	6358.48	1053.54	2852.44
Other comprehensive income for the year	4.33	49.76	13.46	43.47
Total comprehensive earning for the year	3406.76	6408.24	1067.00	2895.91

Indian Accounting Standarss (IND AS)

Your company,s its subsidiary and joint venture financial statements for the year ended 31st March , 2020 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 2019-20.

➤ EXTERNAL ENVIRONMENT

- MACRO-ECONOMIC CONDITION

Macroeconomic Condition With continued weakness in global trade and investment, global growth slumped to 2.9% in 2019, leading to varying degrees of deceleration in economies around the globe. Rising geopolitical tensions, worsening trade relations among some nations, trade policy uncertainties, and stress in key emerging market economies continued to impact global economic activity. Intensifying social unrest in several countries and weather-related disasters also contributed to declining global economic activity. Growth in the advanced economies slowed down to 1.7% in 2019 as compared to 2.2% in 2018. The US economy slowed to 2.3% in 2019 on account of rising geopolitical tensions and policy uncertainty. Growth in the European region also slowed to 1.2% in 2019. The industrial sector in Germany struggled with lower demand from Asia and disruptions to car production. Uncertainty related to Brexit also weighed on growth in the European region. Growth in Japan was at 0.7% owing to the impact of Typhoon Hagibis, increase in value-added tax, and overall slowdown in manufacturing and exports – particularly those to China. Growth in China dropped to 6.1% in 2019 owing to lower investor sentiment and cooling domestic demand. In India, growth slowed down to 4.2% in 2019. This economic slowdown can be attributed to weak investments and declining consumer demand. Further, several sectors such as real estate, aviation, automobile, and construction sectors suffered a consistent decline in demand. The banking sector and financial services also witnessed significant pressure of non-

Directors' Report

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name	Shri Kumar Dujari	Birendra Kumar Jain	
		Designation	CEO	CFO	
1	Gross salary	-	24.90	13.30	38.20
	(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	-	24.90	13.30	38.20

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

Date 28.09.2020

Place: Kolkata

Brij Bhushan Agarwal

Managing Director

Sanjay Kumar Agarwal

Whole-time Director

Directors' Report

Joint Venture

Sl. No.	Name of Joint Ventures	MJSJ Coal Ltd.
1	Latest Audited Balance Sheet Date	31.03.2020
2	Shares of Joint Venture held by the Company on the year end	8559000 Equity Shares of Rs. 10/- each
3	Amount of Investment in Joint Venture	-
4	Extent of Holding %	9.00%
5	Description of how there is significant influence	9% of Share Holding gives equal right to exercise the power
6	Reason why the Joint Venture is not consolidated	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
	ii. Not considered in consolidation	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 (Million)	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	718.87	Sale of goods	Ongoing	Not exceeding 1000.00 million	11.06.2019
2	Hrashva Storage and Warehousing Pvt Ltd.	Step Down Subsidiary	0.05	Rent paid	Ongoing	Not exceeding 2.0 million	11.06.2019
3	Shyam Sel & Power Ltd.	Subsidiary Company	36.72	Purchase of Licence	Ongoing	Not exceeding 30.00 million	11.06.2019
4	Shyam Sel & Power Ltd.	Subsidiary Company	604.94	Purchase of goods	Ongoing	Not exceeding 1500 million	11.06.2019
5	Shyam Sel & Power Ltd. (Net)	Subsidiary Company	898.32	Advances given	Ongoing	Not exceeding 6000.00 million	11.06.2019
6	Kalinga Infra Project limited	Subsidiary Company	40.30	Advances recd back	Ongoing	Not exceeding 50.00 million	11.06.2019
7	Bamodar Alluminium Pvt Ltd	Enterprises over which Key Management Personnel and / or their relatives have significant influence	40.30	Advances given	Ongoing	Not exceeding 50.00million	11.06.2019

Directors' Report

- 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.	Mr.Ajay Choudhury	Chairman	Independent Director
2.	Mrs. Rupanjana De	Member	Non-Executive Director
3.	Mr. Mahabir Prasad Agarwal	Member	Independent Director

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.

Directors' Report

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.

Directors' Report

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

Date: 28th September, 2020
Place: Kolkata

Brij Bhushan Agarwal
Managing Director
(DIN: 01125056)

Sanjay Agarwal
Joint Managing Director
(DIN: 00232938)

Independent Auditors' Report

To the Members of
Shyam Metalics and Energy Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Shyam Metalics and Energy Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 45 of the financial statements regarding the impact of COVID-19 on the financial statements.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report including annexures to Board's Report, and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The Board's report including annexures to the Board's report, shareholders Information is expected to be made available to us after the date of the auditors report.

Independent **Auditors' Report**

Our opinion on financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Independent Auditors' Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Companies Act, 2013, 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, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2020, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent **Auditors' Report**

f. 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

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

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

For, **S K Agrawal and Co**
Chartered Accountants
Firm Registration No.: 306033E

Vivek Agarwal
Partner
Membership No. 301571
UDIN No. - 20301571AAAAGJ3118

Place: Kolkata
Date: 28thSeptember, 2020

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of ShyamMetalics and Energy Limited of even date)

- (i) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all property, plant and equipment at a reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories has been physically verified by the management during the year. Full verification could not be conducted due to COVID-19 outbreak. However, alternate audit procedures were applied for verifying physical presence of the balance inventory. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly clause (iii) (a), clause (iii) (b) and clause (iii) (c) of paragraph 3 of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans and investments made.
- (v) The Company has not accepted any deposits 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 accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the 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, Goods and Service Tax, Duty of Customs and other material 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, 2020 for a period of more than six months from the date they became payable.

Annexure - A to the Independent Auditor's Report

- (b) According to the information and explanations given to us, details of dues of Customs Duty, Service Tax and Excise Duty which have not been deposited as on 31st March, 2020 on account of dispute are given below:

Particulars	Financial Year to which the matter pertains	Forum Where Matter is pending	Amount (₹ in Lakhs)
	2012-13	Comm. Appeals	2,67,80,094
Custom Act.	2013-14	Comm. Appeals	46,27,926
	2013-14	CESTAT	2,24,938
	2016-17	CESTAT	21,19,381
	2016-17	Asst. Comm.	70,143
Service Tax (The Finance Act, 1994)	2014-15	Comm. Appeals	4,09,485
	2014-15	Joint Comm.	5,76,865
	2016-17	Asst. Comm.	3,91,736
The Central Excise Act, 1994	2008-09	High Court	3,71,432
	2008-09	CESTAT	1,92,71,045
	2009-10	CESTAT	13,98,400
	2009-12	Add. Comm	3,51,49,105
	2010-11	CESTAT	77,08,631
	2011-12	Add. Comm	6,67,772
	2012-13	Add. Comm	4,68,763
	2016-17	Add. Comm	37,00,108
	2014-15	Add. Comm	1,06,57,927
	2015-16	Add. Comm	1,45,53,367

- viii. On the basis of 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 institutions.
- ix. The Company did not raise any money by way of initial public offer and further public offer (including debt instrument). 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 material 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, the Company has paid or provided for managerial remuneration in accordance with requisite approvals mandated by section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) 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 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

Annexure - A to the Independent Auditor's Report

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, **S K Agrawal and Co**
Chartered Accountants

Vivek Agarwal
Partner

Membership No. 301571
UDIN No. - 20301571AAAAGK6953

Place: Kolkata
Date: 28th September, 2020

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of ShyamMetals and Energy Limited of even date)

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

We have audited the internal financial controls over financial reporting of ShyamMetals and Energy Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 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 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 financial statements in accordance with generally accepted accounting

Annexure - B to the Independent Auditor's Report

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 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **S K Agrawal and Co**
Chartered Accountants

Vivek Agarwal
Partner

Membership No. 301571
UDIN No. - 20301571AAAAGK6953

Place: Kolkata
Date: 28thSeptember, 2020

Shyam Metals and Energy Limited

Standalone Balance Sheet as at 31st March, 2020

(₹ in millions)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS			
Non-Current Assets			
a) Property, plant and equipment	2	9,546.41	7,693.93
b) Capital work-in-progress	3	838.34	2,398.01
c) Intangible assets	4	1.90	2.36
d) Financial assets			
i) Investments	5	9,851.60	9,780.52
ii) Other financial assets	6	264.34	49.68
e) Deferred tax assets (net)	22	443.83	188.45
f) Other non-current assets	7	202.53	22.95
		21,148.95	20,135.90
Current Assets			
a) Inventories	8	7,756.41	3,613.64
b) Financial assets			
i) Investments	9	41.78	43.64
ii) Trade receivables	10	773.80	880.65
iii) Cash and cash equivalents	11	32.84	30.24
iv) Other bank balances	12	339.67	391.17
v) Loans	13	165.59	0.22
vi) Other financial assets	14	42.54	54.05
c) Current tax assets (net)	15	92.51	78.28
d) Other current assets	16	3,134.71	1,852.01
		12,379.85	6,943.90
Total Assets		33,528.80	27,079.80
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	17	2,336.10	2,336.10
b) Other equity	18	17,243.42	16,176.42
		19,579.52	18,512.52
Non-Current Liabilities			
a) Financial liabilities			
i) Borrowings	19	3,233.43	1,789.56
ii) Other financial liabilities	20	181.83	423.21
b) Provisions	21	38.71	27.09
c) Other non-current liabilities	23	1,739.13	1,557.25
		5,193.10	3,797.11
Current Liabilities			
a) Financial liabilities			
i) Borrowings	24	3,396.86	2,342.28
ii) Trade payables	25		
Outstanding due to Micro, Small and Medium Enterprises		9.59	-
Outstanding due to Creditors other than Micro, Small and Medium Enterprises		4,017.95	1,246.87
iii) Other financial liabilities	26	474.30	280.05
b) Other current liabilities	27	665.02	785.76
c) Provisions	28	192.46	115.21
		8,756.18	4,770.17
Total Equity and Liabilities		33,528.80	27,079.80

Notes forming part of the Financial Statements

1 to 57

As per our report of even date attached

For **S K Agrawal and Co.**

Chartered Accountants

Firm Registration Number: 306033E

Vivek Agarwal

Partner

Membership No: 301571

Place: Kolkata

Date : 28th September 2020

For and on behalf of the Board of Directors

Brij Bhushan Agarwal

Vice Chairman and Managing Director

DIN 01125056

Shree Kumar Dujari

Chief Financial Officer

Sanjay Kumar Agarwal

Managing Director

DIN 00232938

Birendra Kumar Jain

Company Secretary

A8305

Standalone Statement of Profit and Loss for the period ended 31st March, 2020

(₹ in millions)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
I Revenue from operations	29	21,088.79	21,507.66
II Other income	30	137.57	195.74
III Total Income (I+II)		21,226.36	21,703.40
IV EXPENSES			
Cost of materials consumed	31	13,845.84	12,785.15
Purchases of stock-in-trade		142.96	35.61
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(682.13)	(35.36)
Employee benefits expense	33	918.35	804.40
Finance costs	34	544.99	334.37
Depreciation and amortisation expense	35	1,594.53	927.94
Other expenses	36	3,857.01	3,614.86
Total Expenses (IV)		20,221.55	18,466.97
V Profit before tax (III-IV)		1,004.81	3,236.43
VI Tax expense:	37		
(i) Current tax		210.00	711.70
(ii) Deferred tax		(258.73)	(327.71)
VII Profit for the year (V-VI)		1,053.54	2,852.44
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(4.80)	1.65
Equity instruments at fair value through other comprehensive income		21.62	54.52
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.36)	(12.70)
Total other comprehensive income, net of taxes		13.46	43.46
IX Total comprehensive income for the year (VII+VIII)		1,067.00	2,895.91
X Earnings per equity share (Face value of ₹ 10 each)			
Basic & Diluted Earnings per share (EPS)	38	4.51	12.21

Notes forming part of the Financial Statements

1 to 57

As per our report of even date attached
For **S K Agrawal and Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 28th September 2020

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman and Managing Director
DIN 01125056

Shree Kumar Dujari
Chief Financial Officer

Sanjay Kumar Agarwal
Managing Director
DIN 00232938

Birendra Kumar Jain
Company Secretary
A8305

Shyam Metals and Energy Limited

Standalone Cash Flow Statement for the period ended 31st March 2020

(₹ in millions)

	For the year ended 31st March 2020	For the year ended 31st March 2019
A. Cash flow from operating activities:		
Net Profit Before Tax	1,004.81	3,236.43
Non Cash Adjustment for Non cash Non operating items		
Depreciation	1,594.53	927.94
Irrecoverable Debts, Claims and Advances Written Off	3.66	31.28
Dividend Received	(0.62)	(0.25)
Provision written back as per expected credit loss model	-	-
Unspent Liabilities written back and Unclaimed Balances adjusted	-	(0.76)
Unrealised Foreign Exchange Fluctuations	127.65	218.42
Gain on fair value of mutual fund investment	5.13	(1.83)
Profit on Sale of Investments	-	(40.01)
(Profit)/Loss on sales of Property, Plant and Equipment	(3.44)	(0.12)
Interest Income	(33.50)	(26.66)
Payment of Principal portion of Lease Liability	3.54	-
Payment of Interest Portion of Lease Liability	3.76	-
Interest & Finance charges	544.99	334.37
Operating Profit Before Working Capital Changes	3,310.42	4,678.81
Adjustments for movement in:		
Increase/(Decrease) in Trade and other payables	2,896.98	574.78
Decrease / (Increase) in Trade Receivable	106.85	1,194.20
Decrease / (Increase) in Inventories	(4,142.77)	(1,303.32)
Decrease / (Increase) in other assets	(1,887.20)	(806.30)
Cash flow from operating activities before taxes	224.37	4,338.17
Direct Taxes Paid (net)	48.73	(383.99)
Net cash flow from operating activities (A)2	273.10	3,954.18
B. Cash flow from investing activities:		
Purchase of Property Plant & Equipment (Net)	(1,883.43)	(2,979.22)
(Increase)/ Decrease in Investment (Net)	(74.35)	(1,591.38)
Dividend Received	0.63	0.24
Loans Refunded/ (Given)	(165.37)	14.43
Interest Received	33.50	26.66
Net cash from investing activities (B)	(2,089.02)	(4,529.27)
C. Cash flow from financing activities:		
Payment of Principal portion of Lease Liability	(3.54)	-
Payment of Interest Portion of Lease Liability	(3.76)	-
Repayments/Proceeds from Borrowing (Net) & Current Maturities	2,498.45	1,134.84
Interest paid	(544.99)	(334.37)
Net cash from financing activities (C)	1,946.16	800.47
Effect of Foreign Exchange Fluctuation (D)	(127.65)	(218.42)
Net Changes in Cash & Cash Equivalents (A+B+C+D)	2.59	6.96
Cash and cash equivalents at the beginning of the year	30.24	23.28
Closing Cash & Cash Equivalents	32.84	30.24

Standalone Cash Flow Statement for the period ended 31st March 2020

Reconciliation part of cash flows

Particulars	1st April 2019	Cash Flows(Net)	Foreign Exchange Difference	Changes in Fair Value	New Leases	Others	31st March 2020
Borrowings (non current other than lease liabilities and including current maturities of long term borrowings included in other financial liabilities note 26)	1,995.44	1,550.22	34.21	-	-	-	3,579.87
Lease Liabilities (including current maturities)	-	-	-	-	-	-	-
Borrowings (current)	2,342.28	1,514.55	-	-	-	-	3,856.83

Reconciliation part of cash flows

Particulars	1st April 2018	Cash Flows(Net)	Foreign Exchange Difference	Changes in Fair Value	New Leases	Others	31st March 2019
Borrowings (non current other than lease liabilities and including current maturities of long term borrowings included in other financial liabilities note 26)	1,604.34	381.76	9.34	-	-	-	1,995.44
Lease Liabilities (including current maturities)	-	-	-	-	-	-	-
Borrowings (current)	1,725.88	616.40	-	-	-	-	2,342.28

Notes to the cash flow statement

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

	31st March 2020	31st March 2019
Balance with banks - in current account	29.71	28.15
Cash credit account	-	-
Cheques/ DD on Hand	-	-
Cash on hand	3.13	2.09
Total	32.84	30.24

As per our report of even date attached
For **S K Agrawal and Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 28th September 2020

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman and Managing Director
DIN 01125056

Shree Kumar Dujari
Chief Financial Officer

Sanjay Kumar Agarwal
Managing Director
DIN 00232938

Birendra Kumar Jain
Company Secretary
A8305

Shyam Metals and Energy Limited

Standalone Statement of Changes in Equity for the period ended 31st March 2020

Total Equity									(₹ in millions)
Particulars	Equity Shares		Reserves and Surplus				Equity instruments through other comprehensive income	Remeasurement of the net defined benefit plans	Total equity attributable to equity shareholders of the company
	Number of Shares	Amount	Securities Premium	Retained Earnings	Other Reserves	Capital Reserve			
Balance at 1st April, 2018	4,67,22,020.00	467.22	3,650.35	10,554.00	11.00	721.79	207.45	4.80	15,149.39
Reversal of revenue due to adoption of cumulative catch up transition method as specified in Ind AS 115				(12.23)					(12.23)
Recognition of revenue upon the satisfaction of performance obligation as per Ind AS 115				12.23					12.23
Bonus Issue	18,68,88,080.00	1,868.88	(1,868.88)	-	-	-	-	-	(1,868.88)
Income tax effect	-	-	-	-	-	-	(12.70)	-	-
Profit for the year	-	-	-	2,852.44	-	-	-	-	2,852.44
Other comprehensive income	-	-	-	-	-	-	54.52	1.65	56.16
Balance at 31st March, 2019	23,36,10,100.00	2,336.10	1,781.47	13,406.45	11.00	721.79	249.26	6.45	16,176.42
Balance at 1st April, 2019	23,36,10,100.00	2,336.10	1,781.47	13,406.44	11.00	721.79	249.27	6.45	16,176.42
Profit for the year	-	-	-	1,053.54	-	-	-	-	1,053.54
Income tax effect	-	-	-	-	-	-	(3.36)	-	(3.36)
Other comprehensive income	-	-	-	-	-	-	21.62	(4.80)	16.82
Balance at 31st March, 2020	23,36,10,100.00	2,336.10	1,781.47	14,459.97	11.00	721.79	267.53	1.65	17,243.42

As per our report of even date attached
For **S K Agrawal and Co.**
Chartered Accountants
Firm Registration Number: 306033E

For and on behalf of the Board of Directors

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 28th September 2020

Brij Bhushan Agarwal
Vice Chairman and Managing Director
DIN 01125056

Shree Kumar Dujari
Chief Financial Officer

Sanjay Kumar Agarwal
Managing Director
DIN 00232938

Birendra Kumar Jain
Company Secretary
A8305

Significant accounting policies for the period ended 31st March 2020

1. Company Overview

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

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

The financial statements for the year ended March 31, 2020 were approved for issue by Company's board of directors on September 28, 2020

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 millions, 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:

Significant accounting policies for the period ended 31st March 2020

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Significant accounting policies for the period ended 31st March 2020

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

e. Use of estimates and critical accounting judgements

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

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

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

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.

The Company has adopted Ind As 116 from 01.04.2019. Lease liability is calculated as the present value of remaining lease payment discounted using the incremental borrowing rate (IBR) on date of transition. The Company has recognized ROU equal to lease liability as on the first date of the current fiscal year. Leasehold land has been classified as Right to use during the year in compliance with Ind as 116. The Company has lease contracts for land and buildings used in its operations. For Buildings the lease term generally varies between 2 to 5 years and for land it can extend upto 90 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company has not applied Ind As 116 on low value assets and short term leases.

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.

Significant accounting policies for the period ended 31st March 2020

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

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 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 in the below mentioned assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management’s best estimation of obtaining economic benefits from those classes of assets.

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

Freehold land is not depreciated.

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

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

Significant accounting policies for the period ended 31st March 2020

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. 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:

Significant accounting policies for the period ended 31st March 2020

- 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,

Significant accounting policies for the period ended 31st March 2020

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.

k. 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.

l. Inventories

Raw materials and traded goods are valued on FIFO basis.

Work-in-progress and Finished Goods are valued at lower of Cost or Net Realizable Value. Cost is taken as Factory cost of the products.

Significant accounting policies for the period ended 31st March 2020

By products are valued at estimated Net Realizable Value and Stores and Spares on Weighted Average Basis.

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

m. 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.

n. 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

o. 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.

Significant accounting policies for the period ended 31st March 2020

p. Income taxes

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

Current tax

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

Deferred tax

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

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

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

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

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

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 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

Significant accounting policies for the period ended 31st March 2020

the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

q. Adoption of new Indian Accounting Standards and interpretations

Ind As 116 :-

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today’s accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company has applied IndAs 116 using Prospective Approach. Lease liability is calculated as the present value of remaining lease payment discounted using the incremental borrowing rate (IBR) on date of transition. The Company has recognized ROU equal to lease liability as on the first date of the current fiscal year.

r. Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

Sale of goods

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In the context of the sale of the products, separate performance obligations may arise from freight and transport services as well as from services directly related to the sale of the products. These services are generally performed at the time that the control of the products is transferred. In a few exceptional cases, the freight and transport services are performed after the control of the products has been transferred. In accordance with IND AS 115, the revenue relating to these freight and transport services is realised later than the corresponding product revenue. In determining the transaction price, the Company considers the effects of variable consideration such as discounts, volume rebates, or other contractual price reductions, the existence of significant financing component, non-cash

Significant accounting policies for the period ended 31st March 2020

considerations and consideration payable to the customer (if any). However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

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

Conversion Income

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

Interest income

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

Dividend income

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

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.

Significant accounting policies for the period ended 31st March 2020

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 and joint venture

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

Significant accounting policies for the period ended 31st March 2020

aa. Effective interest method

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

ab. Expected Credit Loss

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

ac. Recent accounting pronouncements

• Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company is in the process of evaluating the impact of such amendment.

• Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company is in the process of evaluating the impact of such amendment.

• Amendment to Ind AS 19 plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

Significant accounting policies for the period ended 31st March 2020

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company is in the process of evaluating the impact of such amendment.
- **Amendment to Ind AS 103, Business Combinations and Ind AS 111 Joint Arrangement**

This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of business. The Company is in the process of evaluating the impact of such amendment.
- **Amendments to Ind AS 23, Borrowing Costs**

The amendment clarifies that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. The Company is in the process of evaluating the impact of such amendment.
- **Amendments to Ind AS 28, Investments in Associates and Joint Ventures**

When applying the equity method, a non-investment entity that has an interest in an investment entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organizations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections apply for each investment entity associate or joint venture separately. The Company is in the process of evaluating the impact of such amendment.

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)

Description	Gross block					Accumulated depreciation					Net block
	1st April 2019	Additions	Disposals/ Adjustment	Transfer on Account of Transition to Ind AS 116 - April 01, 2019	31st March 2020	1st April 2019	Additions	Disposals/ Adjustments	Transfer on Account of Transition to Ind AS 116 - April 01, 2019	31st March 2020	31st March 2020
Note 2 Property, Plant and Equipment											
Freehold Land	475.02	20.34	-		495.36	-	-	-		-	495.36
Leasehold Land	204.13	-	-	(204.13)	-	9.60	-	-	(9.60)	-	-
Right to Use*											
Leasehold Building	-	33.30	-	-	33.30	-	6.44	-		6.44	26.86
Leasehold Land	-	6.27	-	204.13	210.40	-	2.48	-	9.60	12.08	198.32
Buildings	2,444.15	441.93	-	-	2,886.08	640.23	202.95	-	-	843.18	2,042.90
Plant and Equipment	8,574.83	2,932.80	36.84	-	11,470.79	3,373.26	1,375.79	35.00	-	4,714.05	6,756.74
Furniture and Fixtures	5.45	0.74	-	-	6.19	2.09	0.92	-	-	3.01	3.18
Vehicles	22.88	9.90	3.63	-	29.15	9.96	2.38	3.45	-	8.89	20.26
Office Equipment	5.32	1.62	-	-	6.94	2.70	1.46	-	-	4.16	2.78
Total	11,731.78	3,446.90	40.47	-	15,138.21	4,037.84	1,592.42	38.45	-	5,591.81	9,546.40

(₹ in millions)

Description	Gross block				Accumulated depreciation				Net block
	1st April 2018	Additions	Disposals/ Adjustment	31st March 2019	1st April 2018	Additions	Disposals/ Adjustments	31st March 2019	31st March 2019
Freehold Land	404.02	71.00	-	475.02	-	-	-	-	475.02
Leasehold Land	204.13	-	-	204.13	7.20	2.40	-	9.60	194.53
Buildings	2,290.23	153.92	-	2,444.15	476.38	163.85	-	640.23	1,803.92
Plant and Equipment	7,851.18	723.65	-	8,574.83	2,618.09	755.17	-	3,373.26	5,201.57
Furniture and Fixtures	4.45	1.00	-	5.45	1.15	0.94	-	2.09	3.35
Vehicles	22.38	1.42	0.92	22.88	8.72	2.12	0.88	9.96	12.92
Office Equipment	3.88	1.44	-	5.32	1.34	1.36	-	2.70	2.62
Total	10,780.27	952.43	0.92	11,731.78	3,112.88	925.84	0.88	4,037.84	7,693.93

(₹ in millions)

Description	1st April 2019	Additions	Disposals/Adjustment	31st March 2020
Note 3 Capital Work-in-Progress				
Buildings	122.68	373.26	435.99	59.95
Plant and equipment	2,275.34	1,383.82	2,873.81	778.39
Total	2,398.01	1,757.08	3,309.80	838.34

(₹ in millions)

Description	1st April 2019	Additions	Disposals/Adjustment	31st March 2019
Buildings	52.95	223.65	153.92	122.68
Plant and equipment	318.10	2634.33	677.10	2,275.34
Total	371.05	2,857.98	831.02	2,398.01

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)

Description	Gross block				Accumulated depreciation				Net block
	1st April 2019	Additions	Disposals/ Adjustment	31st March 2020	1st April 2019	Additions	Disposals/ Adjustment	31st March 2020	31st March 2020
Note 4 Intangible Assets									
Softwares	10.38	1.65	-	12.03	8.02	2.11	-	10.13	1.90
Total	10.38	1.65	-	12.03	8.02	2.11	-	10.13	1.90

(₹ in millions)

Description	Gross block				Accumulated depreciation				Net block
	1st April 2018	Additions	Disposals/ Adjustment	31st March 2019	1st April 2018	Additions	Disposals/ Adjustment	31st March 2019	31st March 2019
Softwares	10.38	-	-	10.38	5.92	2.10	-	8.02	2.36
Total	10.38	-	-	10.38	5.92	2.10	-	8.02	2.36

- (a) Refer Note 44 for property, plant and equipment taken on finance lease.
- (b) Individual assets of property, plant and equipment has been reclassified wherever necessary.
- (c) Refer note 40(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (d) Refer note 19 & 24 for information on property, plant and equipment pledged as security by the Company.

* Leasehold land has been classified as Right to use during the year in compliance with Ind as 116

(₹ in millions)

Description	Face Value	Number of shares		Value of Shares	
		31st March 2020	31st March 2019	31st March 2020	31st March 2019
Note 5 Investments (Non-Current)					
Investments measured at fair value through other comprehensive income					
Unquoted					
Investment in equity instruments					
Shyam Ferro Alloys Limited	10	4,90,000	4,90,000	57.49	59.62
Hrashva Storage and Warehouse Private Limited	10	1,97,608	1,97,608	8.51	7.22
Dorite Tracon Private Limited	2	7,30,000	7,30,000	100.12	95.42
Narantak Dealcomm Limited	10	16,41,088	16,41,088	231.06	218.15
Platinum Minmet Private Limited	10	9,800	9,800	0.93	0.87
Subhlabh Commercials Private Limited	10	1,01,350	1,01,350	17.22	18.26
Shubham Capital Private Limited	10	3,57,000	3,57,000	42.05	36.11
Sri Sikhhar Iron and Steel Private Limited	100	500	-	0.04	-
Sunglow Complex Private Limited	10	9,800	9,800	0.79	0.79
Swarnrekha Abasan Private Limited	10	9,800	9,800	1.37	1.46
				459.58	437.90

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Description	Face Value	(₹ in millions)			
		Number of shares		Value of Shares	
		31st March 2020	31st March 2019	31st March 2020	31st March 2019
Note 5 Investments (Non-Current)					
Investments measured at cost/deemed cost					
Unquoted					
Investment in Subsidiaries					
Shyam Sel & Power Limited	10	4,41,25,044	4,40,25,344	9,229.99	9,229.99
Damodar Aluminium Private Limited	10	96,000	96,000	0.96	0.96
Singhbhum Steel & Power Private Limited	10	1,07,000	1,07,000	1.07	1.07
Renaissance Hydro Power Private Limited	10	9,980	9,980	0.10	0.10
Shyam Ores(Jharkhand) Private Limited	10	26,400	26,400	3.29	3.29
Kalinga Infra Projects Limited	10	45,000	-	0.45	-
				9,235.86	9,235.41
Investments in Associates					
Nirjhar Commodities	10	-	3,500	-	0.04
Meadow Housing Private Limited	10	2,90,000	2,90,000	2.90	2.90
Meghana Vyapaar Private Limited	10	1,00,000	1,00,000	1.00	1.00
Kolhan Complex Private Limited	10	27,800	27,800	2.50	2.50
Kecons Tradecare Private Limited	10	74,07,500	74,07,500	100.00	100.00
				106.40	106.44
Investment in Joint Venture					
MJSJ Coal Limited	10	85,59,000	85,59,000	-	-
Investment in Bonds					
8.09% PFC Ltd		500,000	-	48.99	-
Investment in Government Securities at amortised cost					
National Saving Certificate (VII Issue)		-	-	0.77	0.77
Total				9,851.60	9,780.52
Aggregate amount of unquoted investments				9,851.60	9,780.52

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 6 Other Financial Assets (Non-Current)		
Unsecured, considered good		
Bank deposits with maturity more than 12 months	237.84	32.88
Security deposits (Long Term)	26.50	16.80
Total	264.34	49.68

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Note 7 Other Non-Current Assets		
Unsecured, considered good		
Capital advances (Long Term)	192.60	15.62
Deposits against demands under dispute	9.93	7.33
Total	202.53	22.95

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Note 8 Inventories		
Valued at lower of Cost and Net Realisable Value		
Raw Materials	5,750.13	2,428.85
Work-in-Progress	24.85	29.19
Finished Goods	1,292.11	792.13
Stores and Spares	372.60	233.24
Traded Goods	0.05	-
By-Products	316.67	130.23
Total	7,756.41	3,613.64

Inventories are hypothecated to bank against working capital facility.

(₹ in millions)				
Description	Number of units		Value	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Note 9 Investments (Current)				
Investments measured at fair value through profit and loss	-	-	-	-
Quoted				
Investment in Mutual Funds				
SBI Magnum Instacash Fund	8,174.61	8,174.61	35.28	34.59
HDFC Housing Opportunities Fund Series 1	10,00,000.00	10,00,000.00	6.50	9.05
Total			41.78	43.64
Aggregate book value of quoted investments	-	-	41.78	43.64
Aggregate market value of quoted investments	-	-	41.78	43.64

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 10 Trade Receivables		
Trade receivables considered good (Unsecured)	611.35	880.65
Trade receivables - credit impaired	202.16	14.71
	813.51	895.36
Less: Allowances for credit losses	(39.71)	(14.71)
Total	773.80	880.65

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

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
0 - 30 days	402.88	532.24
31 - 60 days	243.58	162.28
61 - 90 days	45.59	54.63
More than 90 days	121.48	131.50
Total	813.53	880.65

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 11 Cash and Cash Equivalents		
Balance with banks:		
Current account	29.71	28.15
Cash in hand	3.13	2.09
Total	32.84	30.24

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 12 Other Bank Balances		
Fixed Deposits held as margin with maturity less than 3 months	60.85	168.03
Fixed Deposits with maturity for more than 3 months but less than 12 months	278.82	223.14
Total	339.67	391.17

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Note 13 Loans (Current)		
(Unsecured, considered good)		
Loan to related parties	0.25	-
Loans receivable considered good (Unsecured)	165.34	0.22
Total	165.59	0.22

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Note 14 Other Financial Assets (Current)		
Unsecured, considered good		
Security deposits (Short Term)	5.50	1.07
Interest accrued and due on fixed deposits	0.05	7.39
Incentive receivable	36.99	45.59
Total	42.54	54.05

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Note 15 Current Tax Assets (Net)		
Advance tax (net of provisions)	92.51	78.28
Total	92.51	78.28

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Note 16 Other Current Assets		
Unsecured, considered good		
Advances other than capital advances:		
Advances against goods and expenses	3,047.93	1,709.16
Advances for IPO	-	28.96
Advances to employees	19.64	10.84
Balances with statutory authorities	67.14	103.05
Total	3,134.71	1,852.01

Based on the prevailing market conditions the management of the company decided to call off the IPO and hence IPO assets of Rs. 28.96 Millions has been written off during the current year and charged to the statement of Profit and Loss A/c.

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 17 Equity Share Capital		
a) Authorised, Issued, Subscribed and Paid up Share Capital		
Authorised Capital		
290,000,000 (March 31, 2018 - 76,000,000) Equity Shares of ₹ 10 each	2,900.00	2,900.00
Total	2,900.00	2,900.00
Issued, Subscribed & Paid-up Capital		10.84
233,610,100 (March 31, 2018 - 46,722,020) Equity Shares of ₹ 10 each	2,336.10	2,336.10
Total	2,336.10	2,336.10

Note 1 - Subsequent to 31st March 2018, vide resolution passed by the shareholders in the Extra Ordinary General Meeting held on 11th June, 2018, the authorised share capital of the Company has been increased from ₹ 760 million to ₹ 2,900 million.

Note 2 - The Company, pursuant to the Board Resolution passed on 20th June 2018, has issued 4 fully paid up equity shares of ₹ 10 each for each fully paid up equity share of ₹ 10 each to the existing shareholders whose names appear in the register of members as on 20th June 2018. As per section 63(1) of the Companies Act, 2013, the bonus shares have been issued by utilising securities premium account. The bonus shares shall rank pari passu in all respects, including dividend, with the existing shares of the Company.

Description	(₹ in millions)			
	Number of units		Value	
	No of shares	₹ in millions	No of shares	₹ in millions
Equity shares at the beginning of the year	23,36,10,100	2,336.10	4,67,22,020	467.22
Bonus Issue (4:1)	-	-	18,68,88,080	1,868.88
Equity shares at the end of the year	23,36,10,100	2,336.10	23,36,10,100.00	2,336.10

c) 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.

d) Aggregate number of shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

Particulars	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Opening	87,29,028	87,29,028	56,43,236	56,43,236	-
Add: Equity Share allotted as fully paid up pursuant to contract for consideration other than cash	-	-	30,85,792	-	56,43,236
Total	87,29,028	87,29,028	87,29,028	56,43,236	56,43,236

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

e) Aggregate number of bonus shares allotted as fully paid up during the period of 5 years immediately preceding the reporting date

(₹ in millions)

Particulars	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Opening	-	-	-	-	-
Add: Fully paid up bonus shares issued during the year	-	18,68,88,080	-	-	-
Total	-	18,68,88,080	-	-	-

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

(₹ in millions)

Equity shares of ₹10 each fully paid up	As on 31st March 2020		As on 31st March 2019	
	No. of shares	Holding	No. of shares	Holding
Subham Buildwell Private Limited	7,25,97,250	31.08%	7,25,97,250	31.08%
Narantak Dealcomm Limited	5,40,63,340	23.14%	5,40,63,340	23.14%
Subham Capital Private Limited	4,19,94,770	17.98%	4,19,94,770	17.98%
Mr. Brij Bhushan Agarwal	2,32,84,820	9.97%	2,32,84,820	9.97%
Kalpataru Housfin & Trading Private Limited	2,22,19,150	9.51%	2,22,19,150	9.51%
Dorite Tracon Private Limited	1,51,96,665	6.51%	1,51,96,665	6.51%

(₹ in millions)

Particulars	Reserves and Surplus				Equity instruments through other comprehensive income	Remeasurements of the net defined benefit plans	Total Other Equity
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves			
Note 18 Other Equity							
Balance at 1st April, 2018	3,650.35	10,554.00	721.79	11.00	207.45	4.80	15,149.39
Reversal of revenue due to adoption of cumulative catch up transition method as specified in Ind AS 115	-	(12.23)	-	-	-	-	(12.23)
Recognition of revenue upon the satisfaction of performance obligation as per Ind AS 115	-	12.23	-	-	-	-	12.23
Income tax effect	-	-	-	-	(12.70)	-	(12.70)
Other comprehensive income	-	-	-	-	54.52	1.65	56.16
Bonus share allotted in the ratio of 4:1	(1,868.88)	-	-	-	-	-	(1,868.88)
Profit for the year	-	2,852.44	-	-	-	-	2,852.44
Balance at 31st March, 2019	1,781.47	13,406.44	721.79	11.00	249.27	6.45	16,176.42
Balance at 1st April, 2019	1,781.47	13,406.44	721.79	11.00	249.27	6.45	16,176.42
Income tax effect	-	-	-	-	(3.36)	-	(3.36)
Other comprehensive income	-	-	-	-	21.62	(4.80)	16.82
Profit for the year	-	1,053.54	-	-	-	-	1,053.54
Balance at 31st March, 2020	1,781.47	14,459.98	721.79	11.00	267.53	1.65	17,243.42

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 19 Borrowings (Non-Current)		
Lease Obligations	36.03	-
Secured		
Term Loans:		
Indian Rupee loan	2,987.88	1,822.51
Foreign currency loan	588.48	171.74
Long term maturities of finance lease obligations:		
Commercial Vehicle Loan	3.52	1.19
	3,615.91	1,995.44
Less: Current maturities of lease obligations	(4.49)	
Less: Current maturities of long term debt	(378.00)	(205.88)
	3,233.42	1,789.56

Repayment terms and security disclosure for the outstanding long-term borrowings (excluding current maturities) as on 31st March 2020 :

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

(₹ in millions)

Name of Bank	Type of Loan	Rate of Interest (%) P.A.	Loan Amount		Repayment Schedule
			31st March 2020	31st March 2019	
Union Bank of India and State Bank of India	Term Loan	12.00%	-	79.46	
State Bank of India, South India Bank, Union Bank of India and Allahabad Bank	Term Loan	10.65% to 11.8%	941.40	1,020.98	32 quarterly installments remain balance as on 31st March 2020
State Bank of India	FCTL	10.65%	-	4.76	
Axis Bank	ECB	The rate of interest on each loan for each interest period is the percentage rate per annum which is the aggregate of the applicable margin and applicable LIBOR, along with an interest reset every 3 months.	-	51.88	
ICICI Bank	ECB	The rate of interest on each loan for each interest period is the percentage rate per annum which is the aggregate of the applicable margin and 6 month LIBOR.	76.70	115.10	4 half early installments remain balance on 31st March 2020

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Name of Bank	Type of Loan	Rate of Interest (%) P.A.	Loan Amount		Repayment Schedule
			31st March 2020	31st March 2019	
ICICI Bank(New Loan)	Term Loan	9.00%	750.00	-	16 Quarterly installments remain balance on 31st March 2020
ICICI Bank, Axis & Bank of Baroda (Phase V)	Term Loan	10.75%	1,804.80	750.00	ICICI - 35 Quarterly installments remain balance on 31st March 2020 Axis and BOB - 36 Quarterly installments remain balance on 31st March 2020
Total			3,572.90	2,022.18	
Less : Amortisation of upfront fees			(3.40)	(27.93)	
Total			3,569.50	1,994.25	

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 20 Other Financial Liabilities (Non-Current)		
Security deposits received	107.50	374.00
Retention money	74.33	49.21
Total	181.83	423.21

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 21 Provisions (Non-Current)		
Provision for employee benefits - Gratuity (Refer Note 42)	38.71	27.09
Total	38.71	27.09

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 22 Deferred Tax Liabilities / Assets (Net)		
Deferred tax liability arising on account of :		
Difference in value of assets as per books and as per tax	1,029.51	988.56
Fair valuation of mutual funds and investments	85.84	82.98
Deferred tax assets arising on account of :		
Fair valuation of mutual funds and investments	-	-
Lease Liabilities	(12.59)	-
Expenditures allowed for tax purposes on payment basis (43B)	(70.65)	(39.95)
Amortisation of upfront fees (net)	0.98	(1.64)
	1,033.09	1,029.95
Less: MAT credit entitlement	(1,476.92)	(1,218.40)
Total	(443.83)	(188.45)

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 23 Other Non-Current Liabilities		
Creditors for capital goods	168.01	409.48
Liability for water charges & Electricity Duty	1,571.12	1,147.77
Total	1,739.13	1,557.25

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 24 Borrowings (Current)		
Secured		
Loans Repayable on Demand		
From Banks:		
Working capital borrowings	1,586.64	834.35
Cash credit	1,649.83	1,507.93
From Body Corporate	160.39	
Total	3,396.86	2,342.28

Borrowings have been drawn at following rate of interest

Particulars	Rate of Interest
Working capital borrowings and Cash Credit	7.45% p.a to 9.75% p.a
From Body Corporates	10.00% p.a to 11.00% p.a

Security disclosure for outstanding current borrowings:

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

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 25 Trade Payables		
Due to Micro, Small and Medium Enterprises*	9.59	-
Due to others	4,017.95	1,246.87
Total	4,027.54	1,246.87

Shyam Metalics and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Principal amount outstanding as at end of year	95,89,691.00	-
Principal amount overdue more than 45 days	72,23,759.00	-
Interest due and unpaid as at end of year	2,15,308.80	-
Interest paid to the Supplier	-	-
Payment made to the supplier beyond the appointment date during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	2,15,308.80	-
Amount of further interest remaining due and payable in succeeding year	-	-

*Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, the amount due to Micro, Small and Medium Enterprises, (including interest on outstanding dues) which are outstanding as at balance sheet date is ₹ 9.59 Million and interest on amount due for more than 45 days is ₹ 0.22 Million.

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 26 Other Financial Liabilities (Current)		
Current maturities of long term debts	378.00	205.88
Current maturities of lease obligations	4.49	-
Interest accrued but not due on borrowings	11.76	1.41
Employee related payables	80.05	72.76
Total	474.30	280.05

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 27 Other Current Liabilities		
Statutory dues	128.83	82.45
Advance from customers	96.49	190.60
Other payables	439.70	512.71
Total	665.02	785.76

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 28 Provisions (Current)		
Provisions (Current)	2.96	2.51
Other payables	189.50	112.70
Total	192.46	115.21

Notes to the Standalone Financial Statements for the period ended 31st March 2020

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 29 Other Financial Liabilities (Current)		
Operating revenue		
Sale of Manufactured Products	19,846.28	20,061.54
Sale of Services	1,027.82	1,308.16
Sale of Traded Goods	152.25	35.22
Sale of Power	43.76	41.85
Sale of By-Products	18.51	60.63
Income from Carbon Credit	0.17	0.26
Total	21,088.79	21,507.66
		(₹ in millions)
Particulars	31st March 2020	31st March 2019
Note 30 Other Income		
Incentive received	31.40	92.23
Sale of Stores	16.45	17.90
Interest received on financial assets carried at amortised cost:		
Deposits	26.38	25.72
Loans	7.12	0.94
Profit on sale of investments	-	40.01
Gain from fair valuation of investments carried at fair value through Profit and Loss:		
Mutual Funds	(5.13)	1.83
Dividend received on Shares	0.62	0.25
Profit on sales of Property, Plant and Equipment	3.44	0.12
Insurance claim received	4.11	13.53
Provision no longer required written back	-	0.76
Allowances for credit loss written back	-	2.45
Sundry Balances Written Back	49.46	-
Others	3.72	-
Total	137.57	195.74

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 31 Cost of Materials Consumed		
Opening stock	2,428.85	1,192.86
Add: Purchases	17,588.29	14,591.33
	20,017.14	15,784.19
Less: Sales	421.17	570.19
Less: Closing Stock	5,750.13	2,428.85
Total	13,845.84	12,785.15

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.

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 32 Changes in Inventories		
Opening Stock		
Finished Goods	792.13	840.74
Work-in-Progress	29.19	2.40
Traded Goods	-	-
By-Products	130.23	73.05
	951.55	916.19
Closing Stock	-	-
Finished Goods	1,292.11	792.13
Work-in-Progress	24.85	29.19
Traded Goods	0.05	-
By-Products	316.67	130.23
	1,633.68	951.55
(Increase) / Decrease in Inventories	(682.13)	(35.36)

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 33 Employee Benefits Expense		
Salaries and wages	869.30	785.25
Contribution to provident and other funds	44.79	13.35
Staff welfare expenses	4.26	5.80
Total	918.35	804.40

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(a) During the year the Company recognised an amount of ₹ 40.94 millions (2018-19: ₹ 67.36 millions) as remuneration to Key Managerial Personnel. The details of such remuneration is as below:

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
(i) Short-term employee benefits	34.46	63.22
(ii) Post-employment benefits	6.48	4.14
Total	40.94	67.36

(b) For descriptive notes on disclosure of defined benefit obligation refer note 42.

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 34 Finance Costs		
Interest on borrowings	421.37	278.77
Exchange difference to the extent considered as an adjustment to borrowing costs	34.21	9.34
Other borrowing costs	89.41	46.26
Total	544.99	334.37

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 35 Depreciation and Amortisation Expense		
Depreciation on property, plant and equipment	1,592.42	925.84
Amortisation of intangible assets	2.11	2.10
Total	1,594.53	927.94

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 36 Other Expenses		
Rent & Hire charges	180.92	148.60
Rates and taxes	742.76	660.37
Power, fuel and electricity expenses	435.99	304.83
Bank Charges	22.48	43.02
Consumption of stores and spares parts	1,482.28	1,482.76
Repairs and maintenance charges:		
Building	32.32	21.78
Machinery	95.80	70.58
Other repair charges	73.07	42.83
Insurance	32.91	12.01
Commission and brokerage	96.15	83.92
Advertisement and publicity expenses	32.55	13.60
Legal and professional fees	65.00	37.49
Charity and donations	-	2.60

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Labour charges	243.12	222.20
Freight	33.61	86.17
Auditors' fees	1.44	1.40
Allowances for credit losses	25.00	-
Corporate Social Responsibility	23.38	13.70
Sundry Balances written off	3.66	31.28
Foreign exchange fluctuation loss (net of gain)	127.65	218.42
Miscellaneous expenses	106.92	117.30
Total	3,857.01	3,614.86

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 37 Income Tax Expense		
i) Current tax		
Current tax	210.00	711.70
Total	210.00	711.70
ii) Deferred tax		
Deferred tax	(0.21)	(97.27)
Less: MAT Credit	258.52	230.44
Total	(258.73)	(327.71)

Note 38 - Earnings per Equity Share

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

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Net Profit / (Loss) attributable to equity shareholders	34.46	63.22
Profit for the year		
Nominal value of equity shares (₹)		
Weighted average number of equity shares for basic & Diluted EPS		
Basic & Diluted earnings per share (₹)	6.48	4.14

Note 39 - Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Useful Life

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgments and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Particulars	31st March 2020	31st March 2019
Note 40 Commitments & Contingent Liabilities		
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,030.33	372.95
(b) Contingent Liabilities	210.00	711.70
Claims against the company not acknowledged as debt:		
Excise Duty	93.95	83.29
Service Tax	1.38	1.38
Customs Duty	33.82	31.50
Other money for which the company is contingently liable:		
Unredeemed bank guarantees on behalf of the joint venture company	20.02	20.02
Other unredeemed bank guarantees	415.39	360.30
Bills discounted with banks	195.54	75.07
Total	760.09	571.57

Based on discussion with the solicitors / favorable 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.

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Notes to the Standalone Financial Statements for the period ended 31st March 2020

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

(₹ in millions)

	As on 31st March 2020		As on 31st March 2019	
	Current	Non-current	Current	Non-current
Note 41 Employee Benefit Obligations				
Gratuity	2.96	38.71	2.51	27.09
Total	2.96	38.71	2.51	27.09

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied with the number of years of service.

The weighted average duration of the defined benefit plan obligations at the end of the reporting period is 5.59 years (31st March 2019 - 5.37 years)

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

Changes in defined benefit obligation

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Present value of obligation as at the beginning of the year	29.59	33.62
Interest cost	1.96	2.54
Current service cost	8.49	5.95
Benefits paid	(3.18)	(1.24)
Actuarial loss/(gain) on obligations	4.80	(11.28)
Present value obligation as at the end of the year	41.66	29.59

Breakup of actuarial gain/loss:

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	3.57	0.83
Actuarial (gain)/loss arising from experience adjustment	1.23	(12.11)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Present value obligation as at the end of the year	41.66	29.59
Net asset recognized in balance sheet	(41.66)	(29.59)

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Amount recognized in the statement of profit and loss

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Current service cost	8.49	5.95
Interest cost	1.96	2.54
Amount recognized in the statement of profit and loss	10.45	8.49

Amount recognized in the statement of Other Comprehensive Income

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Actuarial gain/(loss) for the year on planned benefit obligations	4.80	(11.28)
Actuarial gain/(loss) at the end of the year	4.80	(11.28)

Actuarial assumptions

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Discount rate	7.00% p.a.	7.70% p.a.
Future salary increase	5.50% p.a.	5.50% p.a.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms of maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	41.66	29.59
a) Impact due to increase of 1.00 %	38.00	27.09
b) Impact due to decrease of 1.00 %	45.95	32.50
Impact of Change in Withdrawal Rate		
Present value of obligation at the end of the year	41.66	29.59
a) Impact due to increase of 1.00 %	41.96	29.98
b) Impact due to decrease of 1.00 %	41.30	29.13
Impact of the change in salary increase		
Present value of obligation at the end of the year	41.66	29.59
a) Impact due to increase of 1.00 %	45.97	32.52
b) Impact due to decrease of 1.00 %	37.92	27.03

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Notes to the Standalone Financial Statements for the period ended 31st March 2020

Note 42 - Financial Instruments by Category

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

(₹ in millions)

Particulars	31st March 2020				31st March 2019			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial Assets								
Investment in equity instruments	-	459.58	-	459.58	-	437.90	-	437.90
Investment in mutual funds	41.78	-	-	41.78	43.64	-	-	43.64
Investment in Bonds	-	-	48.99	48.99	-	-	-	-
Investment in government securities	-	-	0.77	0.77	-	-	0.77	0.77
Trade receivables	-	-	773.80	773.80	-	-	880.65	880.65
Loans	-	-	165.59	165.59	-	-	0.22	0.22
Security deposit	-	-	32.00	32.00	-	-	17.87	17.87
Cash and cash equivalents	-	-	32.84	32.84	-	-	30.24	30.24
Other financial asset	-	-	37.04	37.04	-	-	52.98	52.98
Margin money	-	-	577.51	577.51	-	-	424.05	424.05
Total	41.78	459.58	1,668.54	2,169.90	43.64	437.90	1,406.78	1,888.32
Financial Liabilities								
Borrowings	-	-	7,008.29	7,008.29	-	-	4,337.72	4,337.72
Trade payable	-	-	4,027.54	4,027.54	-	-	1,246.87	1,246.87
Security deposit	-	-	107.50	107.50	-	-	374.00	374.00
Other financial liabilities	-	-	166.14	166.14	-	-	123.38	123.38
Total	-	-	11,309.47	11,309.47	-	-	6,081.97	6,081.97

(a) Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurement

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Financial Assets		
Financial investments at FVOCI		
Unquoted equity instruments	459.58	437.90
Financial investments at FVTPL		
Mutual Fund	41.78	43.64
Total	501.36	481.54

Notes to the Standalone Financial Statements for the period ended 31st March 2020

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

(₹ in millions)

Particulars	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Mutual funds	41.78	-	-	43.64	-	-
Bonds	-	48.99	-	-	-	-
Unquoted equity instruments	-	459.58	-	-	437.90	-
Investment in Government Securities		0.77			0.77	
Investments in subsidiaries, associates and joint venture		9,342.26			9,341.85	
Total	41.78	9,851.60	-	43.64	9,780.52	-
Financial Liabilities						
Borrowings	-	-	7,008.29	-	-	4,337.72
Total	-	-	7,008.29	-	-	4,337.72

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 2020		31st March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Carried at FVOCI				
Investments in equity instruments	459.58	459.58	437.90	437.90
Carried at amortised cost				
Trade receivables	773.80	773.80	880.65	880.65
Loans	165.59	165.59	0.22	0.22
Security deposit	32.00	32.00	17.87	17.87
Cash and cash equivalents	32.84	32.84	30.24	30.24
Other financial asset	37.04	37.04	52.98	52.98
Margin money	577.51	577.51	424.05	424.05
Investment in Bonds	48.99	48.99	-	-
Investment in Government Securities	0.77	0.77	0.77	0.77
Carried at FVTPL				
Investments in mutual funds	41.78	41.78	43.64	43.64
Total	2,169.90	2,169.90	1,888.32	1,888.32

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)

Particulars	31st March 2020		31st March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Carried at amortised cost				
Borrowings	7,008.29	7,008.29	4,337.72	4,337.72
Trade payable	4,027.54	4,027.54	1,246.87	1,246.87
Security deposit	107.50	107.50	374.00	374.00
Other financial liabilities	166.14	166.14	123.38	123.38
Total	11,309.48	11,309.48	6,081.97	6,081.97

(c) Fair value measurements

- (i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- (ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- (iii) Investments carried at fair value are generally based on market price quotations. Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- (iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorized as level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorized as level 2 in the fair value hierarchy.
- (v) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- (vi) There have been no transfers between Level 1 and Level 2 for the period ended March 31, 2020 and year ended March 31, 2019.

Note 43 - Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

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

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)

a) Interest rate risk

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

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Variable rate borrowings	6,973.22	4,336.53
Fixed rate borrowings	3.52	1.19

Interest rate sensitivity

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

Particulars	Effect on Profit before tax	
	31st March 2020	31st March 2019
Increase by 50 basis points (31 March 2020: 50 bps)	(34.87)	(21.68)
Decrease by 50 basis points (31 March 2020: 50 bps)	34.87	21.68

b) Foreign currency risks

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

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

Particulars	Currency	(₹ in millions)			
		31st March 2020		31st March 2019	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Buyer's Credit	USD (\$)	-	-	-	-
Creditors	USD (\$)	17.20	1,296.49	15.54	1,075.04
Debtors	USD (\$)	0.09	6.66	-	-
Term Loan	USD (\$)	7.81	588.48	2.48	171.74
Working Capital Demand Loan / Packing Credit	USD (\$)	-	-	4.14	286.21

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.

Notes to the Standalone Financial Statements for the period ended 31st March 2020

(₹ in millions)

Particulars	Effect on Profit/(Loss) before tax	
	31st March 2020	31st March 2019
USD Sensitivity		
Increase by 5% (31st March 2020 - 5%)	(1.25)	(1.11)
Decrease by 5% (31st March 2020 - 5%)	1.25	1.11

B) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 1359.60 millions and ₹ 1356.33 millions as at March, 2020 and March 31, 2019 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and other financial assets.

(i) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. Any Credit risk is curtailed with arrangements with third parties. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amount as illustrated in Note 43.

(C) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

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

Notes to the Standalone Financial Statements for the period ended 31st March 2020

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	3 to 5 years	More than 5 years	Total
Year ended 31st March 2020					
Contractual maturities of borrowings	3,774.86	472.00	1,396.80	1,715.60	7,359.26
Contractual maturities of trade payables	4,017.95	-	-	-	4,017.95
(₹ in millions)					
Particulars	Upto 1 year	1 to 2 years	3 to 5 years	More than 5 years	Total
Year ended 31st March 2019					
Contractual maturities of borrowings	2,548.16	186.92	578.18	1,023.37	4,336.63
Contractual maturities of trade payables	1,246.87	-	-	-	1,246.87

Note 44 - Ind As 116

Company as a Lessee

The company has applied Ind As 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 1 of Accounting Policies.

Impact on Balance Sheet (Increase/Decrease)

(₹ in millions)	
Particulars	1st April 2019
Right to use assets presented in property, plant and equipment	39.57
Lease Liabilities	39.57

The Company has lease contracts for land and buildings used in its operations. For Buildings the lease term generally varies between 2 to 5 years and for land it can extend upto 90 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Initial recognition on adoption of Ind AS 116	-	-
Reclassified from Leasehold Land to ROU asset on adoption of Ind AS 116	194.53	-
As at 1st April 2019		
Addition during the year		
Leasehold Land	6.27	-
Leasehold Building	33.30	-

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Notes to the Standalone Financial Statements for the period ended 31st March 2020

Particulars	31st March 2020	31st March 2019
Depreciation Expense		
Leasehold Land	2.48	-
Leasehold Building	6.44	-
As at 31st March 2020	225.18	-

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(₹ in millions)

Particulars	31st March 2020	31st March 2019
As at 1st April		
Addition during the year	39.57	-
Add: Finance Cost	3.76	-
Less: Rent	7.30	-
Total	36.03	-

The Company has not applied Ind As 116 on low value assets and short term leases.

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Note 45 COVID 19 Financial Impact		
Loss of Revenue in March Due to COVID19	745.04	-
Total	745.04	-

In March 2020, the WHO declared COVID - 19 outbreak as a pandemic which continues to spread across the country. On 25th March 2020, the Government of India had declared this pandemic a health emergency and ordered temporary closure of all non-essential businesses and imposed restrictions on movement of goods/material, travel etc. The company has been allowed to continue its operations as majority of its plant falls under continuous process industry. However, disruptions of businesses world wide and economic slowdown may have its eventual impact on the company. The company has made intitial assessment of likely adverse impact on economic environment in general and financial risk on account of COVID-19. Further, Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal installments falling due to banks and financial institutions till August 2020. This will largely mitigate the stress cash flows of the company during the period of COVID-19. In assessing the recoverability of Trade Receivables measured at amortised cost and inventories at realisable value as stated in the standalone financial statements, the Company has considered internal and external information upto the date of approval of these financial results. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of this pandemic may be different from that estimated as at the date of approval of these financial results and the company will continue to closely monitor any material changes in future economic conditions.

On Long term basis also, the company does not anticipate any major challenge in meeting its financial obligations. The management has estimated its future cash flows which indicate no major change in financial performance as estimated prior to COVID-19 impact.

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Note 46 - Related Party Disclosure (As per Ind AS-24 - Related Party Disclosures)

Particulars	31st March 2020	31st March 2019
Subsidiary Company	Damodar Aluminium Private Limited	Shyam Sel & Power Limited
	Renaissance Hydro Power Private Limited	Damodar Aluminium Private Limited
	Singhbhum Steel & Power Private Limited	Singhbhum Steel and Power Private Limited
	Kalinga Infra Projects Ltd. (19/8/19)	Shyam Ores (Jharkhand) Private Limited
	Shyam Sel and Power Limited	Renaissance Hydro Power Private Limited Meadow Housing Private Limited
Step-down Subsidiary Company	Hrashva Storage and Warehousing Private Limited. (26/04/2019)	
	Shyam Energy Limited	Shyam Energy Limited
	Taurus Estates Private Limited	Taurus Estates Private Limited
	Whispering Developers Private Limited	Whispering Developers Private Limited
	Meadow Housing Private Limited	
	Nirjhar Commercials Pvt. Ltd.	
Associates	Shree Sikhar Iron & Steel Private Limited (28/6/19)	
	Meghana Vyapar Private Limited	Kecons Tradecare Private Limited
	Kecons Tradecare Private Limited	Meghana Vyapar Private Limited
Joint Venture	Kolhan Complex Private Limited	Kolhan Complex Private Limited Nirjhar Commodities
	MJSJ Coal Limited	MJSJ Coal Limited
Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions/ balance during the year:	Platinum Minmet Private Limited	Dorite Tracon Private Limited
	Dorite Tracon Private Limited	Narantak Dealcomm Limited
	Shyam Solar Appliance Private Limited	Platinum Minmet Private Limited
	Godawari Natural Resources Limited	Shyam Ferro Alloys Limited
	Narantak Dealcomm Limited	Shyam Solar Appliance Private Limited
	Shyam Ferro Alloys Limited	Godawari Natural Resources Limited
	Swarnrekha Abasan Private Limited	Sunglow Complex Private Limited
	Shyam Emco Infrastructure Limited	Swarnrekha Abasan Private Limited
	Sunglow Complex Private Limited	Shyam Emco Infrastructure Limited
	Key Management Personnel:	Shri Brij Bhushan Agarwal (Managing Director cum vice Chairman)
Shri Sanjay Kumar Agarwal (Joint Managing Director)		Shri Sanjay Kumar Agarwal (Whole Time Director)
Shri Bhagwan Shaw (Director)		Shri Bhagwan Shaw (Director)
Shri Dev Kumar Tiwari (Director)		Shri Dev Kumar Tiwari (Director)
Shri Deepak Kumar Agarwal (Director)		Shri Deepak Kumar Agarwal (Director)
Shri Birendra Kumar Jain(Company Secretary)		Shri Birendra Kumar Jain(Company Secretary)
	Shri Shree Kumar Dujari (Chief Financial Officer)	Shri Shree Kumar Dujari (Chief Financial Officer)

Shyam Metalics and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Particulars	31st March 2020	31st March 2019
	Relative's Name - Relation	Relative's Name - Relation
Relatives to Key Management Personnel:	Mrs. Sumitra Devi Agarwal- Wife of Shri Mahabir Prasad Agarwal	Mrs. Sumitra Devi Agarwal- Wife of Shri Mahabir Prasad Agarwal
	Mrs. Sumitra Devi Agarwal - Mother 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. Mittu Agarwal - Wife of Mr. Brij Bhushan Agarwal
	Mrs. Anita Jhunjhunwala - Daughter of Mr. Mahabir Prasad Agarwal	Mrs. Anita Jhunjhunwala - Daughter of Mr. Mahabir Prasad Agarwal
	Mrs. Bina Devi Agarwal - Wife of Mr. Bajrang Lal Agarwal	Mrs. Bina Devi Agarwal - Wife of Mr. Bajrang Lal Agarwal
	Mrs. Pooja Agarwal - Wife of Mr. Sanjay Kumar Agarwal	Mrs. Pooja Agarwal - Wife of Mr. Sanjay Kumar Agarwal
	Mr. Mahabir Prasad Agarwal - Father of Mr. Brij Bhushan Agarwal	Mr. Mahabir Prasad Agarwal - Father of Mr. Brij Bhushan Agarwal
	Mr. Sheetij Agarwal - Son of Mr. Brij bhushan Agarwal	
	Mr. Divyansh Agarwal - Son of Mr. Sanjay Agarwal	

Disclosure of Related Party Transactions provides information about the Company's structure. The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year.

Terms and conditions of transactions with related parties:

The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31st March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2019, 2018: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(₹ in millions)

Type of Transactions	Subsidiary, Associates and Joint Venture		Enterprises over which Key Management Personnel and / or their relatives have significant influence		TOTAL	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1. Sale of Goods						
Shyam Sel & Power Limited	715.87	643.14	-	-	715.87	643.14
2. Commission (Income)						
Shyam Sel & Power Limited	-	-	-	-	-	-
3. Commission (Expense)						
Meghana Vyaapar Private Limited	18.62	-	-	-	18.62	-
4. Sale of Licence						
Shyam Sel & Power Limited	-	7.79	-	-	-	7.79
5. Purchase of Licence						
Shyam Sel & Power Limited	36.72	7.04	-	-	21.26	7.04

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Type of Transactions	Subsidiary, Associates and Joint Venture		Enterprises over which Key Management Personnel and / or their relatives have significant influence		TOTAL	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
6. Purchase of Goods						
Shyam Sel & Power Limited	604.94	1,191.50	-	-	604.94	820.39
7. Rent Paid (Net of TDS)						
Hrashva Storage and Warehousing Private Limited (Formerly Uttar Purva Hydro Power Private Limited)	0.05	0.21	-	-	0.21	0.22
8. Remuneration						
Mr. Brij Bhusan Agarwal			20.63	45.00	20.63	45.00
Mr. Sanjay Kumar Agarwal			4.13	9.00	4.13	9.00
Mr. Dev Kumar Tiwari			1.75	1.74	1.75	1.74
Mr. Bhagwan Shaw			0.59	0.56	0.59	0.56
Mr. Birendra Kumar Jain			1.29	1.33	1.29	1.33
Mr. Shree Kumar Dujari			2.49	2.09	2.49	2.09
Mr. Deepak Kumar Agarwal			3.60	3.50	3.60	3.50
9. Purchase of Investments						
Shyam Ores (Jharkhand) Private Limited		1.70		-	-	1.70
Shree Sikhar Iron & Steel Pvt. Ltd.	0.06	-			0.06	-
Kalinga Infra Projects Ltd	0.45	-			0.45	-
Dorite Tracon Private Limited		-		625.22	-	625.22
Narantak Dealcomm Limited		-		1,432.70	-	1,432.70
Singhbhum Steel & Power Private Limited		27.32		-	-	27.32
10. Sale of Investments						
Nirjhar Commodities Pvt Ltd	0.04		-	-	0.04	-
Shyam Sel & Power Limited	0.002					
Shyam Ferro Alloys Limited	-	30.08	-	-	-	30.08
11. Advances Given/Refunded						
Shyam Sel and Power Limited	898.22	5,478.08		-	897.89	5,478.08
Kalinga Infra Projects Ltd	40.30				40.30	-
Damodar Aluminum Pvt Ltd	40.30				40.30	-
Hrashva Storage and Warehousing Private Limited (Formerly Uttar Purva Hydro Power Private Limited)	0.02	-		-	0.02	-
Shyam Ores (Jharkhand) Private Limited	550.66				550.66	-
Meghana Vyaapar Private Limited		25.40		-	-	25.40
Shyam Ferro Alloys Limited			0.10	0.02	0.10	0.02
Shyam Energy Limited	0.26	0.05		-	0.26	0.05
Swarnrekha Abasan Private Limited			-	25.00	-	25.00
12. Advances Received back/taken						
Shyam Sel and Power Limited	796.39	4,556.93		-	812.21	4,556.93
Kalinga Infra Projects Ltd	40.25				40.25	-

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Type of Transactions	Subsidiary, Associates and Joint Venture		Enterprises over which Key Management Personnel and / or their relatives have significant influence		TOTAL	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Damodar Aluminum Pvt Ltd	40.25	-	-	-	40.25	-
Meghana Vyaapar Private Limited	-	25.40	-	-	-	25.40
Shyam Energy Limited	0.08	-	-	-	0.08	-
Shyam Ores (Jharkhand) Private Limited	390.20	-	-	-	390.20	-
Swarnrekha Abasan Pvt Ltd	-	-	-	25.00	-	25.00
Shyam Ferro Alloys Limited	-	-	3.47	-	3.47	-
13. Loans Received						
Narantak Dealcomm Limited	-	-	756.00	1,249.70	756.00	1,249.70
Dorite Tracon Private.Limited	-	-	361.90	760.50	361.90	760.50
Subham Capital Private Limited	-	-	645.00	-	645.00	-
Shyam Emco Infrastructure Limited	-	-	33.50	-	33.50	-
14. Loans Repaid						
Narantak Dealcomm Limited	-	-	756.00	1,249.70	756.00	1,249.70
Subham Capital Private Limited	-	-	645.00	-	645.00	-
Dorite Tracon Private.Limited	-	-	361.90	760.50	361.90	760.50
Shyam Emco Infrastructure Limited	-	-	33.50	-	33.50	-
15. Balances outstanding on account of Receivables/ (Payable)						
Singhbhum Steel & Power Private Limited	-	-	1.07	1.07	1.07	1.07
Shyam Sel and Power Limited	459.97	9,214.35	-	-	9,229.99	9,214.35
Nirjhar Commodities Pvt. Ltd.	-	0.03	-	-	-	0.03
Damodar Aluminum Pvt Ltd.	1.01	0.96	-	-	1.01	0.96
Shyam Energy Limited	0.20	0.01	-	-	0.20	0.01
Shyam Ores (Jharkhand) Private Limited	163.76	3.29	-	-	163.76	3.29
Meadow Housing Private Limited	2.90	2.90	-	-	2.90	2.90
Hrashva Storage and Warehousing Private Limited (Formerly Uttar Purva Hydro Power Private Limited)	7.27	6.75	-	-	7.27	6.75
Dorite Tracon Private Limited	-	-	(151.97)	(151.97)	(56.55)	(56.55)
Shyam Ferro Alloys Limited	-	-	(3.35)	0.02	62.98	59.64
Narantak Dealcomm Limited	-	-	540.69	(540.63)	(322.53)	(322.48)
Meghana Vyaapar Private Limited	16.54	-	-	-	17.54	1.00

Note 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.

Notes to the Standalone Financial Statements for the period ended 31st March 2020

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Borrowings (Note - 19, 24 and 26)	7,008.29	4,337.72
Trade payables (Note-25)	4,017.95	1,246.87
Less: Cash and cash equivalents (Note-11)	32.84	30.24
Less: Current investments (Note - 9)	41.78	43.64
Net debt	10,951.62	5,510.71
Equity	2,336.10	2,336.10
Other Equity	17,243.42	16,176.42
	19,579.52	18,512.52
Capital and net debt	178.78	335.94
Gearing ratio	35.87%	22.94%

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 March 31, 2020 and 2019.

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 48 Statutory Auditors' remuneration (excluding goods and service tax) and expenses :		
Statutory Audit Fees	1.25	1.20
Tax Audit Fees	0.15	0.15
Fees for Other Services	0.04	0.05
Total	1.44	1.40

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 49 Additional Information		
i) Expenditure in Foreign Currency (on accrual basis)		
Travelling expenses	1.51	5.51
Demurrage Charges on Import of Raw Materials	43.25	39.92
Raw Materials	2775.38	3899.48
Interest on Loan	11.62	1.81

ii) Earnings in Foreign Currency (on accrual basis)

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Exports (F.O.B. value)	450.33	1,919.32

Shyam Metals and Energy Limited

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Note 50 - The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.944% and the reported tax expense in profit or loss are as follows :-

Effective Tax Reconciliation			(₹ in millions)
Particulars	31st March 2020	31st March 2019	
Accounting profit before income tax	1,004.81	3,236.43	
Enacted tax rate in India	34.94%	34.94%	
Computed expected tax expenses	351.12	1,130.81	
Tax holidays	(1,583.19)	(1,903.91)	
Income exempted from tax	(0.62)	(0.25)	
Other Adjustments	973.96	445.64	
Income Tax recognised in Profit and Loss account	(258.73)	(327.71)	

Note 51 - 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 2020				(₹ 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	-	-	-	37.46
Amount Spent during the year towards activities specified	23.38	23.38	-	23.38
i) Construction/ acquisition of any assets	-	-	-	-
ii) On purpose other than (i) above	23.38	23.38	-	23.38

For The Year Ended 31st March 2019				(₹ 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	-	-	-	13.70
Amount Spent during the year towards activities specified	13.70	13.70	-	13.70
i) Construction/ acquisition of any assets	-	-	-	-
ii) On purpose other than (i) above	13.70	13.70	-	13.70

			(₹ in millions)
Particulars	31st March 2020	31st March 2019	
Note 52 Value of imports calculated on CIF Basis			
Raw Materials	2,775.38	3,899.48	

Note 53 - Segment Reporting

As per Ind AS 108 "operating segments", specified under section 133 of the Companies Act, 2013, the Company is predominantly engaged in a single reportable segment of Iron and Steel.

Note 54 - Long Term and Derivative Contract

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

Notes to the Standalone Financial Statements for the period ended 31st March 2020

Note 55 - Investor Education and Protection Fund

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

Note 56 - Figures of previous years have been regrouped / rearranged / rectified wherever necessary to make them comparable with the current periods figures

Note 57 - Impact of Ind AS 115

The table below represents impact of Ind AS 115 for the year ended.

	(₹ in millions)		
Particulars	As per Ind AS 115	As per old Policy	Impact due to change
Revenue from Operation	21,088.79	21,095.34	(6.54)
Cost of Material Consumed	13,163.71	13,172.11	(8.40)
Inventories	7,756.41	7,885.04	(128.63)
Trade Receivable	773.80	801.61	(27.82)
Other Current Liabilities	665.02	663.84	1.18

As per our report of even date attached
For **S K Agrawal and Co.**
Chartered Accountants
Firm Registration Number: 306033E

For and on behalf of the Board of Directors

Vivek Agarwal
Partner
Membership No: 301571

Brij Bhushan Agarwal
Vice Chairman and Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Managing Director
DIN 00232938

Place: Kolkata
Date : 28th September 2020

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
A8305

Shyam Metals and Energy Limited

Independent Auditors' Report

To the Members of
Shyam Metals and Energy Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Shyam Metals 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 2020, 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").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 45 of the financial statements regarding the impact of COVID-19 on the financial statements.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including annexures to Board's Report, and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Independent Auditors' Report

Our opinion on consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 Holding Company, as aforesaid.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are

Independent Auditors' Report

required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of five subsidiaries and seven step down subsidiaries whose financial statements reflect total assets of ₹ 18,485.67 millions as at 31 March 2020, total revenues of ₹ 22,794.14 millions and net cash outflows amounting to ₹ 198.02 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 ₹ 0.25 millions for the year ended 31st March 2020, as considered in the consolidated Ind AS financial statements, in respect of three associates, 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

- As required by Section 143 (3) of the Act, we report that:
 - 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.
 - 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;
 - 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

Independent Auditors' Report

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 as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associates and jointly controlled entities and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) 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, its associates and joint ventures.
 - (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.

For, **S K Agrawal and Co**
Chartered Accountants

Vivek Agarwal
Partner

Membership No. 301571
UDIN No. - 20301571AAAAGK6953

Place: Kolkata
Date: 28th September, 2020

Annexure - A to the Independent Auditor's Report

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 Metals 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, 2020.

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.

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.

Annexure - A to the Independent Auditor's Report

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.

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 2020, based on the internal control over financial reporting criteria established by the respective companies.

For, **S K Agrawal and Co**
Chartered Accountants

Vivek Agarwal
Partner

Membership No. 301571
UDIN No. - 20301571AAAAGK6953

Place: Kolkata
Date: 28th September, 2020

Shyam Metalics and Energy Limited

Consolidated Balance Sheet as at 31st March, 2020

(₹ in millions)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
Assets			
Non-Current Assets			
a) Property, Plant and Equipment	2	19,685.23	17,700.87
b) Right-of-use assets	2A	431.61	-
c) Capital work-in-progress	3	2,354.49	3,576.99
d) Intangible Assets	4	7.88	8.36
f) Financial Assets			
i) Investments	5	724.30	684.24
ii) Loans	6	117.94	16.90
iii) Other Financial Assets	7	289.73	58.06
g) Other Non-current Assets	8	1,403.21	579.79
h) Deferred Tax Assets (Net)	24	262.40	-
		25,276.79	22,625.21
Current Assets			
a) Inventories		14,867.11	7,321.33
b) Financial Assets			
i) Investments		715.54	2,054.31
ii) Trade Receivables		2,590.19	2,129.06
iii) Cash and Cash equivalents		296.96	98.95
iv) Other Bank Balances		915.35	879.46
v) Loans		89.38	474.06
vi) Other Financial Assets		613.98	686.23
c) Current tax assets (net)		47.93	42.41
d) Other Current Assets		6,601.48	4,181.64
		26,737.92	17,867.45
Total Assets		52,014.71	40,492.67
Equity and Liabilities			
a) Equity Share Capital	18	2,336.10	2,336.10
b) Other Equity	19	25,928.56	22,566.25
Total Equity		28,264.66	24,902.35
Non Controlling Interest		41.51	44.34
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	20	3,549.15	2,160.50
ii) Loans	21	124.48	374.00
iii) Others Financial Liabilities	22	74.33	49.21
b) Provisions	23	271.83	59.74
c) Deferred Tax Liabilities (Net)	24	-	726.90
d) Other Non-current Liabilities	25	2,626.94	1,861.62
Total Assets		6,646.73	5,231.97
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	26	9,211.28	4,427.68
ii) Trade Payables			
Outstanding due to Micro, Small and Medium Enterprises	27	33.49	-
Outstanding due to Creditors other than Micro, Small and Medium Enterprises		4,990.36	3,106.10
iii) Other Financial Liabilities	28	1,508.16	1,010.48
b) Other Current Liabilities	29	1,312.94	1,764.85
c) Provisions	30	5.58	4.90
Total Equity and Liabilities		17,061.81	10,314.01
		52,014.71	40,492.67

Notes forming part of the Financial Statements

1 to 60

As per our report of even date attached

For and on behalf of the Board of Directors

For **S K Agrawal and Co.**

Chartered Accountants

Firm Registration Number: 306033E

Vivek Agarwal

Partner

Membership No: 301571

Place: Kolkata

Date : 28th September 2020

Brij Bhushan Agarwal

Vice Chairman and Managing Director

DIN 01125056

Shree Kumar Dujari

Chief Financial Officer

Sanjay Kumar Agarwal

Managing Director

DIN 00232938

Birendra Kumar Jain

Company Secretary

A8305

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in millions)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
INCOME			
I Revenue from operations	32	43,628.86	46,005.14
II Other Income	33	391.64	858.97
III Total Income (I+II)		44,020.50	46,864.11
IV EXPENSES			
Cost of material consumed	34	27,131.88	27,827.72
Purchase of stock-in-trade		632.51	286.17
Change in inventories of finished goods, stock in trade and work -in-progress	35	(984.53)	(297.77)
Employee benefits expense	36	1,683.55	1,450.25
Finance costs	37	834.07	640.70
Depreciation and amortisation expense	38	2,967.03	1,942.15
Other expenses	39	8,802.44	7,385.59
Total Expense(IV)		41,066.95	39,234.81
V Profit/(loss) before Share in Profit/(Loss) of Associate and Joint Venture and tax (III-IV)		2,953.55	7,629.30
VI Share in Profit/(Loss) of Associate and Joint Venture		0.24	0.32
Profit/(Loss) before tax (V+VI)		2,953.79	7,629.62
VII Tax expense:			
(i) Current tax		574.48	1,663.07
(ii) Deferred tax		(1,023.14)	(391.93)
(iii) Earlier year tax			
Profit/(loss) for the period (VI-VII)		3,402.45	6,358.48
IX Transfer to General Reserve		-	-
IX Profit for the Year (VIII+IX+X)		3,402.44	6,358.48
Profit / Loss attributable to Non Controlling Interest		(0.12)	326.58
Profit / Loss attributable to owners of the Parent		3,402.56	6,031.90
X Other comprehensive income			
(i) Items that will not be reclassified to profit and loss			
- Remeasurement of Defined Benefit Plan		(6.48)	1.62
- Equity instruments at fair value through other comprehensive income;		16.31	62.75
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.51)	(14.61)
Other comprehensive income for the year		4.33	49.76
XI Total Comprehensive Income for the period (XI+XII)		3,406.76	6,408.24
Comprehensive Income attributable to Non Controlling Interest		(0.12)	326.58
Comprehensive Income attributable to owners of the Parent		3,406.88	6,081.66
XII Earning per Equity Share of ₹ 10 each (in ₹)	41	14.57	25.82
Significant Accounting Policies	1		

Notes forming part of the Financial Statements

1 to 60

As per our report of even date attached
For **S K Agrawal and Co.**
Chartered Accountants
Firm Registration Number: 306033E

Vivek Agarwal
Partner
Membership No: 301571

Place: Kolkata
Date : 28th September 2020

For and on behalf of the Board of Directors

Brij Bhushan Agarwal
Vice Chairman and Managing Director
DIN 01125056

Shree Kumar Dujari
Chief Financial Officer

Sanjay Kumar Agarwal
Managing Director
DIN 00232938

Birendra Kumar Jain
Company Secretary
A8305

Shyam Metalics and Energy Limited

Consolidated Cash Flow Statement for the year ended 31st March 2020

(₹ in millions)

	For the year ended 31st March 2020	For the year ended 31st March 2019
A. Cash flow from operating activities:		
Net Profit Before Tax	2,953.79	7,629.62
Non Cash Adjustment for Non cash Non operating items		
Depreciation	2,967.03	1,942.15
Irrecoverable Debts, Claims and Advances Written Off	49.32	145.13
Dividend Received	(6.01)	(205.58)
Provision written back as per expected credit loss model	-	(36.55)
Unspent Liabilities written back and Unclaimed Balances adjusted	(46.23)	(77.32)
Gain on fair value of mutual fund investment	(13.22)	(23.26)
Gain on derivative contracts (including provision for mark-to-market losses)	(0.62)	-
Profit on Sale of Investments	(18.37)	(73.33)
(Profit)/Loss on sales of Property, Plant and Equipment	1.71	-
Interest Income	(59.64)	(123.33)
Interest & Finance charges	834.07	640.70
Operating Profit Before Working Capital Changes	6,661.82	9,818.23
Adjustments for movement in:		
Increase/(Decrease) in Trade and other payables	(801.23)	(1,802.28)
Decrease / (Increase) in Trade Receivable	(461.13)	1,664.36
Decrease / (Increase) in Inventories	(7,545.78)	(1,782.97)
Decrease / (Increase) in other assets	1,215.86	(1,731.97)
Cash flow from operating activities before taxes	(930.46)	6,165.38
Direct Taxes Paid (net)		
Net cash flow from operating activities (A)	(930.46)	6,165.38
B. Cash flow from investing activities:		
Purchase of Property Plant & Equipment (Net)	(5,636.95)	(4,861.41)
(Increase)/ Decrease in Investment (Net)	1,330.30	(688.06)
Dividend Received	6.01	205.58
Loans Refunded/ (Given)	34.12	(19.52)
Interest Received	59.64	123.33
Net cash from investing activities (B)	(4,206.88)	(5,240.09)
C. Cash flow from financing activities:		
Repayments/Proceeds from Borrowing (Net) & Current Maturities	6,172.25	1,784.17
Acquisition of Non Controlling Interest	(2.83)	(2,051.07)
Interest paid	(834.07)	(640.70)
Net cash from financing activities (C)	5,335.35	(907.60)
Effect of Foreign Exchange Fluctuation (D)	-	-
Net Changes in Cash & Cash Equivalents (A+B+C+D)	198.01	17.69
Cash and cash equivalents at the beginning of the year	98.95	81.26
Closing Cash & Cash Equivalents	296.96	98.95

Consolidated Cash Flow Statement for the year ended 31st March 2020

Reconciliation part of cash flows

Particulars	1st April 2019	Cash Flows(Net)	Foreign Exchange Difference	Changes in Fair Value	New Leases	Others	31st March 2020
Borrowings (non current other than lease liabilities and including current maturities of long term borrowings included in other financial liabilities note 26)	2,788.35	1,298.71	34.21				4,121.27
Lease Liabilities (including current maturities)							
Borrowings (current)	4,427.68	4,783.60					9,211.28

Reconciliation part of cash flows

Particulars	1st April 2018	Cash Flows(Net)	Foreign Exchange Difference	Changes in Fair Value	New Leases	Others	31st March 2019
Borrowings (non current other than lease liabilities and including current maturities of long term borrowings included in other financial liabilities note 26)	2849.73	(70.72)	9.34				2,788.35
Lease Liabilities (including current maturities)							
Borrowings (current)	2786.55	1,641.13					4,427.68

Notes to the cash flow statement

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

	31st March 2020	31st March 2019
Balance with banks - in current account	288.72	94.28
Cash credit account	(0.56)	
Cheques/ DD on Hand	1.35	-
Cash on hand	7.45	4.67
Total	296.96	98.95

The above statement should be read with the notes to the 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 and Co.**
Chartered Accountants
Firm Registration Number: 306033E

For and on behalf of the Board of Directors

Vivek Agarwal
Partner
Membership No: 301571

Brij Bhushan Agarwal
Vice Chairman and Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Managing Director
DIN 00232938

Place: Kolkata
Date : 28th September 2020

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
A8305

Shyam Metals and Energy Limited

Consolidated Statement of Changes in Equity for the year ended 31st March 2020

Total Equity

(₹ in millions)

Particulars	Equity Shares		Reserves and Surplus				Equity instruments through other comprehensive income	Remeasurement of the net defined benefit plans	Total equity attributable to equity shareholders of the company
	Number of Shares	Amount	Securities Premium	Retained Earnings	Other Reserves	Capital Reserve			
Balance at 1st April 2018	3,650.35	10,589.68	3,657.34	11.00	180.39	(0.86)	18,087.90	2,095.41	20,183.31
Reversal of Revenue due to adoption of cumulative catch up transition method as specified in Ind AS 115		(12.23)					(12.23)		(12.23)
Recognition of revenue upon the satisfaction of performance obligation as per Ind AS 115		12.23					12.23		12.23
Profit / (Loss) for the year		6,031.77					6,031.77		6,031.77
Bonus Share allotted in the Ratio of 4:1	(1,868.88)	-					(1,868.88)		(1,868.88)
Adjustment in Non Controlling Interest during the year		-					-	326.58	326.58
Acquisition of subsidiary		-	265.70				265.70	(2,352.63)	(2,086.93)
Disposal of Subsidiary		39.75	(39.75)				-	(25.02)	(25.02)
Other Comprehensive Income					48.14	1.62	49.76		49.76
Balance at 1st April 2019	1,781.47	16,661.20	3,883.29	11.00	228.53	0.76	22,566.25	44.34	22,610.59
Profit / (Loss) for the year		3,402.56	-				3,402.56	-	3,402.56
Income Tax Effect					(5.51)		(5.51)		(5.51)
Adjustment in Non Controlling Interest during the year	-			-	-	-	-	(2.83)	(2.83)
Acquisition of subsidiary			(44.58)				(44.58)	-	(44.58)
Transfer to Retained earnings		(1.09)				1.09			-
Other Comprehensive Income	-	-	-	-	16.31	(6.48)	9.84	-	9.84
Balance at 31st March 2020	1781.47	20,062.67	3,838.71	11.00	239.33	(4.62)	25,928.56	41.51	25,970.07

As per our report of even date attached

For **S K Agrawal and Co.**

Chartered Accountants

Firm Registration Number: 306033E

Vivek Agarwal

Partner

Membership No: 301571

Place: Kolkata

Date : 28th September 2020

For and on behalf of the Board of Directors

Brij Bhushan Agarwal

Vice Chairman and Managing Director

DIN 01125056

Shree Kumar Dujari

Chief Financial Officer

Sanjay Kumar Agarwal

Managing Director

DIN 00232938

Birendra Kumar Jain

Company Secretary

A8305

Notes to the Consolidated Financial Statements

Company Overview and Significant Accounting Policies

1. Company Overview

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

The Company is primarily engaged in business of manufacture and sale of Ferro Alloys Steel Products and Power generation. Currently it has an integrated steel, plant in odisha and her it presence in wind sector in state of Maharashtra.

The financial statements as at March 31, 2020 were approved for issue by Company is board of directors on september, 28, 2020.

Significant Accounting Policies

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

a. Statement of compliance

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

b. Basis of preparation

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

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

Notes to the Consolidated Financial Statements

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

d. 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

Notes to the Consolidated Financial Statements

- 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.

e. Use of estimates and critical accounting judgements

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

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

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

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 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

Notes to the Consolidated Financial Statements

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

h. 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.

i. 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.

Notes to the Consolidated Financial Statements

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 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 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 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 Company 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.

Notes to the Consolidated Financial Statements

k. Financial Instruments

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

- 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,

Notes to the Consolidated Financial Statements

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

Notes to the Consolidated Financial Statements

legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

i. Employee benefits

Short term obligations

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

Defined contribution plans

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

Defined benefit plans

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

m. Inventories

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.

n. Provisions, Contingent liabilities and Contingent assets

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

Notes to the Consolidated Financial Statements

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

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

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

o. Government grants

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

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

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

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

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

q. Income taxes

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

Current tax

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

Deferred tax

Notes to the Consolidated Financial Statements

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

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

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

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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. Adoption of new Indian Accounting Standards and interpretations(page no 107)

Ind As 116 :-

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard

Notes to the Consolidated Financial Statements

includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today’s accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

s. Revenue (Page no 108)

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

Sale of goods

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

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

Conversion Income

Revenue from sale of service is recognised when control has been transferred to the buyer usually when the delivery of goods after due process of conversion takesplace, revenue is booked when all the performance obligations

Notes to the Consolidated Financial Statements

aresatisfied. In determining the transaction price, the Company considers the effects of variable consideration such as discounts, volume rebates, or other contractual price reductions, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

Interest income

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

Dividend income

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

t. Foreign currency transactions

The financial statements of the 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.

u. Borrowing costs

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

v. Earnings per share

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

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

Notes to the Consolidated Financial Statements

equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

w. Trade receivables

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

x. Cash and cash equivalents

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

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

y. Trade and other payables

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

z. Segment reporting

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

aa. Investment in subsidiaries and associates and joint venture (Page No 109)

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

bb. Effective interest method

The effective interest method is a method of calculating the 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.

Notes to the Consolidated Financial Statements

cc. 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.

dd. Recent accounting pronouncements (Page No 109)

• Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company is in the process of evaluating the impact of such amendment.

• Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company is in the process of evaluating the impact of such amendment.

• Amendment to Ind AS 19 plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company is in the process of evaluating the impact of such amendment.

• Amendment to Ind AS 103, Business Combinations and Ind AS 111 Joint Arrangement

This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of business. The Company is in the process of evaluating the impact of such amendment.

Notes to the Consolidated Financial Statements

- **Amendments to Ind AS 23, Borrowing Costs**

The amendment clarifies that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. The Company is in the process of evaluating the impact of such amendment.

- **Amendments to Ind AS 28, Investments in Associates and Joint Ventures**

When applying the equity method, a non-investment entity that has an interest in an investment entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organizations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections apply for each investment entity associate or joint venture separately. The Company is in the process of evaluating the impact of such amendment.

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

(₹ in millions)

Description	Gross block					Accumulated depreciation					Net block
	1st April 2019	Additions	Disposals/ Adjustment	Transfer on Account of Transition to Ind AS 116 - April 01, 2019	31st March 2020	1st April 2019	Additions	Disposals/ Adjustments	Transfer on Account of Transition to Ind AS 116 - April 01, 2019	31st March 2020	31st March 2020
Note 2 Property, Plant and Equipment											
Freehold Land	2,048.67	84.45	-	-	2,133.12	-	-	-	-	-	2,133.12
Right to Use*											
Leasehold Land	412.71	6.27	418.98	-	-	9.69	2.48	9.75	-	2.42	(2.42)
Leasehold Building	-	37.70	33.30	-	4.40	-	8.26	6.44	-	1.82	2.58
Buildings	4,524.17	786.26	-	-	5,310.43	1,288.70	388.11	-	-	1,676.81	3,633.62
Plant and Equipment	18,838.63	4,459.21	-	36.84	23,261.00	6,863.08	2,561.09	-	35.00	9,389.17	13,871.83
Furniture and Fixture	15.45	0.80	-	-	16.25	8.60	2.09	-	-	10.69	5.56
Vehicles	38.42	22.14	-	10.09	50.47	7.76	8.19	-	3.45	12.50	37.97
Office Equipment	31.53	8.35	-	-	39.88	30.89	6.02	-	-	36.91	2.97
Total	25,909.58	5,405.18	452.28	46.93	30,815.55	8,208.73	2,976.24		38.45	11,130.32	19,685.23

(₹ in millions)

Description	Gross block				Accumulated depreciation				Net block
	1st April 2018	Additions	Disposals/ Adjustment	31st March 2019	1st April 2018	Additions	Disposals/ Adjustments	31st March 2019	31st March 2019
Freehold Land	1,983.41	107.18	41.92	2,048.67	-	-	-	-	2,048.67
Leasehold Land	209.81	205.51	2.61	412.71	7.27	2.420	-	9.69	403.02
Leasehold Building	-	-	-	-	-	-	-	-	-
Buildings	4,299.45	275.54	50.82	4,524.17	975.57	313.13	-	1,288.70	3,235.47
Plant and Equipment	17,131.00	1,708.06	0.43	18,838.63	5,254.09	1,608.99	-	6,863.08	11,975.56
Furniture and Fixtures	15.31	1.19	1.05	15.45	6.04	2.56	-	8.60	6.85
Vehicles	37.50	2.05	1.13	38.42	3.59	5.05	0.88	7.76	30.66
Office Equipment	27.40	4.29	0.16	31.53	24.50	6.39	-	30.89	0.64
Total	23,703.88	2,303.82	98.12	25,909.58	6,271.07	1,938.54	0.88	8,208.73	17,700.87

(₹ in millions)

Description	Gross block				Accumulated depreciation				Net block
	Reclassified on adoption of Ind AS - 116 on 01.04.2019	Additions	Disposals/ Adjustment	31st March 2020	Reclassified on adoption of Ind AS - 116 on 01.04.2019	Additions	Disposals/ Adjustments	31st March 2020	31st March 2020
Leasehold Land	412.71	6.27	-	418.98	9.69	4.54	-	14.23	404.75
Leasehold Building	-	33.30	-	33.30	-	6.44	-	6.44	26.86
Total	412.71	39.57	-	452.28	9.69	10.98	-	20.67	431.61

Notes to the consolidated Financial Statements for the year ended 31st March 2020

(₹ in millions)

Description	1st April 2019	Additions	Disposals/Adjustment	31st March 2020
Note 3 Capital Work-in-Progress				
Buildings	146.24	1,010.68	671.11	485.81
Plant & equipments	2,934.18	2,858.65	4,420.72	1,372.11
Land	496.57	-	-	496.57
Total	3,576.99	3,869.33	5,091.83	2,354.49

(₹ in millions)

Description	1st April 2018	Additions	Disposals/Adjustment	31st March 2019
Buildings	107.42	296.85	258.03	146.24
Plant & equipments	318.10	4,167.61	1,551.53	2,934.18
Land	480.75	59.24	43.42	496.57
Total	906.27	4,523.70	1,852.98	3,576.99

(₹ in millions)

Description	Gross block				Accumulated depreciation				Net block
	1st April 2019	Additions	Disposals/Adjustment	31st March 2020	1st April 2019	Additions	Disposals/Adjustment	31st March 2020	31st March 2020
Note 4 Intangible Assets									
Softwares	17.86	3.37	-	21.23	9.50	3.85	-	13.35	7.88
Total	17.86	3.37	-	21.23	9.50	3.85	-	13.35	7.88

(₹ in millions)

Description	Gross block				Accumulated depreciation				Net block
	1st April 2018	Additions	Disposals/Adjustment	31st March 2019	1st April 2018	Additions	Disposals/Adjustment	31st March 2019	31st March 2019
Softwares	10.38	7.48	-	17.86	5.91	3.59	-	9.50	8.36
Total	10.38	7.48	-	17.86	5.91	3.59	-	9.50	8.36

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

(₹ in millions)

Description	Number of shares		Face Value	Value of Shares	
	31st March 2020	31st March 2019		31st March 2020	31st March 2019
Note 5 Non current investments					
Investments measured at fair value through profit and loss					
Unquoted					
Investment in equity instruments					
Glowing Realty Private Limited	1,50,000	1,50,000.00	-	1.46	1.46
	1,50,000	1,50,000.00	-	1.46	1.46
Investments measured at fair value through other comprehensive income					
Unquoted					
Investment in equity instruments					
Shyam Ferro Alloys Limited	4,90,000	4,90,000	10.00	57.49	59.62
Hrashva Storage and Warehouse Private Limited	1,97,608	1,97,608	10.00	-	7.36
Dorite Tracon Private Limited	7,30,000	7,30,000	2.00	100.12	95.42
Narantak Dealcomm Limited	1,24,78,088	27,28,088	10.00	333.06	320.15
Platinum Minmet Private Limited	9,800	9,800	10.00	0.93	0.87
Subhlabh Commercials Private Limited	1,01,350	1,01,350	10.00	17.22	18.26
Shubham Capital Private Limited	3,57,000	3,57,000	10.00	42.05	36.11
Sunglow Complex Private Limited	9,800	9,800	10.00	0.79	0.79
Swarnrekha Abasan Private Limited	9,800	9,800	10.00	1.37	1.46
Karva automart ltd				0.30	
				553.33	540.04
Investments measured at cost/deemed cost					
Unquoted					
Investment in Associates					
Kolhan Complex Private Limited	1,61,200	1,61,200	10.00	14.51	14.51
Add: Share in Profit / (Loss)				(0.08)	0.21
				14.43	14.72
Kecons Trade Care Private Limited	74,07,500	74,07,500	10.00	100.00	100.08
Add: Share in Profit/(Loss)				0.11	-
				100.11	100.08
Meghana Vyapaar Private Limited	1,00,000.00	1,00,000	10.00	1.00	25.40
Add: Share in Profit/(Loss)				0.19	0.19
				1.19	25.59
Sub - Total				115.73	140.39

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Description	Number of shares		Face Value	Value of Shares	
	31st March 2020	31st March 2019		31st March 2020	31st March 2019
	(₹ in millions)				
Note 5 Non current investments					
Investment in Joint Ventures					
Kalinga Energy & power ltd	1,25,000.00	1,25,000.00	10.00	1.25	1.24
Add: Share in Profit/(Loss)				0.02	0.02
				1.27	1.26
Karo River Pellets Private Limited	5,000.00	5,000.00	10.00	0.05	0.05
Add: Share in Profit/(Loss)			-		
			-	0.05	
Sub - Total				1.32	1.31
Investment in Bond					
8.09% PFC Ltd	500.00			48.99	-
				48.99	
Investment In Land					
Investment in Government Securities					
National Saving Certificate (VII Issue)				1.04	0.04
Total				684.24	9,780.52
Aggregate amount of unquoted investments				684.24	9,780.52

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 6 Loans		
(Unsecured, considered good)		
Security deposits	117.94	16.90
Total	117.94	16.90

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 7 Other financial assets		
(Unsecured, considered good)		
Bank deposits for maturity more than 12 months	289.73	58.06
Total	289.73	58.06

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

			(₹ in millions)	
Particulars	31st March 2020	31st March 2019		
Note 8 Other Non-Current Assets				
(Unsecured, considered good)				
Capital advances	521.58	512.38		
Advances recoverable	774.64	8.67		
Employees Advance	46.66			
Deposits against demands under dispute	52.04	51.88		
Prepaid expenses	8.13	6.86		
Advance Tax	0.16	-		
Total	1,403.21	579.79		

			(₹ in millions)	
Particulars	31st March 2020	31st March 2019		
Note 9 Inventories				
(Valued at lower of cost and Net Realisable Value)				
Raw Materials	11,387.35	4,926.79		
Work in progress	24.85	29.19		
Finished Goods	2,352.67	1,458.74		
Stores and Spares	635.75	501.36		
Furnance Oil	10.94	19.85		
Traded Goods	84.40	40.72		
By Products	371.15	344.68		
Total	14,867.11	7,321.33		

						(₹ in millions)	
Particulars	Number of shares		Face Value	31st March 2020	31st March 2019		
	31st March 2020	31st March 2019					
Note 10 Current Investments							
<u>Investments measured at fair value through other comprehensive income</u>							
<u>Quoted</u>							
<u>Investment in equity instruments</u>							
Bajaj Finance Ltd	6,547	6,547	2.00	14.51	19.80		
<u>Investment in preference shares</u>				-			
Zee Entertainment (Redemable Preference Share)	2,097	2,097	6.00	0.01	0.01		
SUB-TOTAL				14.52	19.81		
<u>Investment in Non- Convertible Debenture</u>							
Miraya Reality Private Limited	56	56	1,00,000.00	9.10	5.60		
Cornerview Constructions & Developers Private Limited	80	80	50,000.00	1.43	7.31		

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Particulars	Number of shares		Face Value	(₹ in millions)	
	31st March 2020	31st March 2019		31st March 2020	31st March 2019
Shriprop Dwellers Private Limited	54.00	54.00	1,00,000.00	2.46	3.00
Sterling Habitats Private Limited	31.00	31.00	1,00,000.00	6.46	5.43
NCD Sterling Habitats Private Limited	4.00	4.00	1,00,000.00	0.46	0.39
Miraya Reality Private Limited	94.00	94.00	1,00,000.00	13.01	13.07
Genie Commercial Ventures Pvt. Ltd	77.00	77.00	1,00,000.00	9.52	8.54
NCD Cornerview Constructions Pvt Ltd	72.00	72.00	50,000.00	1.47	2.20
Sterling Habitats Pvt Ltd	32.00	32.00	1,00,000.00	2.96	2.49
Genie Commercial Ventures Pvt. Ltd.	5	5	100000	0.54	0.49
Embassy Office Parks Reit Sr I	10.00	-	10,00,000.00	10.00	
ICICI HOME FINANCE CO. LTD- BOND ISSUANCE	80.00	-	5,00,000.00	40.00	
SUB-TOTAL				97.41	48.52
Quoted					
Investment in Mutual Funds					
Aditya Birla Sun Life Infrastructure Fund -Plan Dividend	52,060.19	48,682.31	-	0.64	1.02
Aditya Birla Sun Life Index Fund - Growth	28,206.94	28,206.94	-	2.42	3.22
DSP Equity Fund Direct Plan - Growth	80,620.94	80,620.94	-	2.75	3.29
DSP Blackrock Natural Resources And New Energy Fund-Dividend	70,553.66	70,553.66	-	0.81	1.24
Kotak Infrastructure And Economic Reform Fund Direct Dividend	50,236.79	50,236.79	-	0.75	1.07
ICICI Prudential Value Fund Series 20 Direct Plan	5,00,000.00	6,00,000.00	-	3.76	4.99
Franklin India Smaller Companies Fund -Direct - Growth	78,356.27	78,356.27	-	2.86	4.62
Franklin Build India Fund - Direct - Dividend		2,05,946.18	-	-	5.05
Reliance Money Market direct growth plan		45,277.96	-	-	125.51
HDFC Housing Opportunities Fund- Direct Growth	10,00,000.00	-	-	6.50	
HSBC Small Cap Equity Fund - Growth Direct Plan	18,039.28	18,039.28	-	0.60	0.95
Edelweiss Crossover Opportunities Fund	1,55,54,843.98	1,76,07,000.68	-	151.93	181.78
Edelweiss Real Estate Opportunities Fund.	29,520.00	21,935.00	-	344.96	254.82
SBI Debt Fund Series - C - 7 (1190 Days) - Direct Growth	29,87,783.75	29,87,783.75	-	35.39	32.52
SBI saving Fund -Direct Plan -Growth		33,28,994.54	-	-	100.00
L&T Infrastructure Fund Direct Plan -Dividend	68,558.89	68,558.89	-	0.76	1.15
L&T Money Market Fund - Growth		52,89,186.26	-	-	100.04
L&T India Large Cap Fund - Growth	1,14,648.93	1,14,648.93	-	2.56	3.24
HSBC Large Cap Equity Fund - Growth	14,678.79	14,678.79	-	2.56	3.22
HDFC Housing Opportunities Fund Series 1	10,00,000.00	20,00,000.00	-	6.50	20.82
Kotak Blue Chip Fund - Growth	13,027.52	13,027.52	-	2.58	3.26
INVESCO India Money Market Fund - Growth		92,400.69	-	-	200.53
Kotak Money Market Fund - Growth		32,411.56	-	-	100.04

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Particulars	Number of shares		Face Value	(₹ in millions)	
	31st March 2020	31st March 2019		31st March 2020	31st March 2019
	SBI Liquid Fund			2,73,514.17	-
SBI Magnum Instacash Fund	8,174.61	44,717.43	-	32.59	
SUB-TOTAL			603.61	1,985.98	
TOTAL			715.54	2,054.31	
Aggregate amount of quoted investments			715.54	2,054.31	
Aggregate amount of Unquoted investments			-	-	
Aggregate market value of quoted investments			715.54	2,054.31	

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 11 Trade Receivables		
Trade receivables considered good (Unsecured)	1,203.86	2,129.06
Trade receivables - credit impaired	1,431.64	20.09
	2,635.50	2,149.16
Less: Allowances for credit losses	(45.31)	(20.09)
Total	2,590.19	2,129.06

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

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
0 - 30 days	2,368.26	1,471.45
31 - 60 days	376.96	256.36
61 - 90 days	92.48	101.39
More than 90 days	352.46	299.86
Total	3,190.16	2,129.06

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 12 Cash and Cash Equivalents		
Balance with banks - in current account	288.72	94.28
Cash credit account	(0.56)	-
Cheques/ DD on Hand	1.35	-
Cash on hand	7.45	4.67
Total	296.96	98.95

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 13 Other Bank Balances		
Fixed Deposits held as margin with maturity less than 3 months	364.55	281.70
Fixed deposits maturity for more than 3 months but less than 12 months	550.80	597.76
Total	915.35	879.46

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 14 Loans		
(Unsecured, considered good)		
Security deposits- note 17	47.55	-
Loan to related parties	0.25	170.21
Loan to body corporates	44.61	258.10
Loans receivable considered good (Unsecured)	4.59	45.75
Less: Provision for Doubtful Loans	(7.62)	-
Total	89.38	474.06

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 15 Other Financial Assets (Current)		
(Unsecured, considered good)		
Interest accrued and due on fixed deposits	12.09	19.94
Earnest money deposit	50.00	50.00
Incentive Receivable	546.39	610.20
Security deposits	5.50	-
Derivative Assets	-	6.09
Total	613.98	686.23

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 16 Current Tax Assets (Net)		
Advance Tax (Net of provisions)	114.12	42.41
Total	114.12	42.41

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

			(₹ in millions)	
Particulars	31st March 2020	31st March 2019		
Note 17 Other Current Assets				
(Unsecured, considered good)				
Advances against supply of goods and services	0.10	0.00		
i. Considered Good	5,288.37	3,698.22		
ii. Considered doubtful	5.21	5.21		
Capital Advances	889.40	-		
Prepaid Expenses	3.91	3.01		
Advances to employees	45.57	12.45		
Advances for IPO	-	28.96		
Balances with statutory authorities	373.87	439.00		
Less: Provision for advances to suppliers	(4.95)	(5.21)		
Total	6,601.48	4,181.64		

			(₹ in millions)	
Particulars	31st March 2020	31st March 2019		
Note 18 Equity Share Capital				
Authorised capital				
290,000,000 Equity Shares of ₹ 10 each	2,900.00	2,900.00		
Total	2,900.00	2,900.00		
Issued, Subscribed & Paid-up Capital				
233,610,100 Equity Shares of ₹ 10 each	2,336.10	2,336.10		
Total	2,336.10	2,336.10		

Note 1 - Subsequent to 31st March 2018, vide resolution passed by the shareholders in the Extra Ordinary General Meeting held on 11th June, 2018, the authorised share capital of the Company has been increased from ₹ 760 million to ₹ 2,900 million.

Note 2- The Company, pursuant to the Board Resolution passed on 20th June 2018, has issued 4 fully paid up equity shares of ₹ 10 each for each fully paid up equity share of ₹ 10 each to the existing shareholders whose names appear in the register of members as on 20th June 2018. As per section 63(1) of the Companies Act, 2013, the bonus shares have been issued by utilising securities premium account. The bonus shares shall rank pari passu in all respects, including dividend, with the existing shares of the Company.

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

(₹ in millions)

Description	31st March 2020		31st March 2019	
	No of shares	₹ in millions	No of shares	₹ in millions
Equity shares at the beginning of the year	23,36,10,100	2,336.10	4,67,22,020	467.22
Bonus Issue (4:1)	-	-	18,68,88,080	1,868.88
Equity shares at the end of the year	23,36,10,100	2,336.10	23,36,10,100	2,336.10

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.

Notes to the consolidated Financial Statements for the year ended 31st March 2020

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	(₹ in millions)				
	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Opening	1,43,72,264	1,43,72,264	1,12,86,472	1,12,86,472	56,43,236
Add: Equity Shares allotted as fully paid up pursuant to contract for consideration other than cash.	-	-	30,85,792	-	56,43,236
Closing	1,43,72,264	1,43,72,264	1,43,72,264	1,12,86,472	1,12,86,472

d) Aggregate number of bonus shares allotted as fully paid up during the period of 5 years immediately preceding the reporting date

Particulars	(₹ in millions)				
	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Opening	-	-	-	-	-
Add: Fully paid up bonus shares issued during the year	-	18,68,88,080	-	-	-
Less:	-	-	-	-	-
Closing	-	18,68,88,080	-	-	-

e) Details of shareholders holding more than 5% shares in the Group

Equity shares of ₹10 each fully paid up	As on 31st March 2020		As on 31st March 2019	
	No. of shares	Holding	No. of shares	Holding
Subham Buildwell Private Limited	7,25,97,250	31.08%	7,25,97,250	31.08%
Narantak Dealcomm Limited	5,40,63,340	23.14%	5,40,63,340	23.14%
Subham Capital Private Limited	4,19,94,770	17.98%	4,19,94,770	17.98%
Mr. Brij Bhushan Agarwal	2,32,84,820	9.97%	2,32,84,820	9.97%
Kalpataru Housfin & Trading Private Limited	2,22,19,150	9.51%	2,22,19,150	9.51%
Dorite Tracon Private Limited	1,51,96,665	6.51%	1,51,96,665	6.51%

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

(₹ in millions)

Particulars	Reserve and surplus								Total Other Equity
	Securities Premium	Retained Earnings	Capital Reserves	Other Reserves	FVTOCI Equity Instruments	Remeasurement of the net defined benefit plans	Total Attributable to Owners of the Company	Attributable to Non Controlling Interest	
Note 19 Other Equity									
Balance at 1st April 2018	3,650.35	10,589.68	3,657.34	11.00	180.39	(0.86)	18,087.90	2,095.41	20,183.31
Reversal of revenue due to adoption of cumulative catch up transition method as specified in Ind AS 115		(12.23)					(12.23)		(12.23)
Recognition of revenue upon the satisfaction of performance obligation as per Ind AS 115		12.23					12.23		12.23
Profit / (Loss) for the year	-	6,031.77	-	-	-	-	6,031.77		6,031.77
Adjustment in Non Controlling Interest during the year	-						-	326.58	326.58
Acquisition of subsidiary			265.70				265.70	(2,352.63)	(2,086.93)
Disposal of Subsidiary		39.75	(39.75)				-	(25.02)	(25.02)
Other Comprehensive Income	-	-	-	-	48.14	1.62	49.76		49.76
Bonus share allotted in the ratio of 4:1	(1,868.88)						(1,868.88)		(1,868.88)
Balance at 31st March 2019	1,781.47	16,661.20	3,883.29	11.00	228.53	0.76	22,566.25	44.34	22,610.59
Balance at 1st April 2019	1,781.47	16,661.20	3,883.29	11.00	228.53	0.76	22,566.25	44.34	22,610.59
Profit / (Loss) for the year	-	3,402.56		-	-	-	3,402.56		3,402.56
Income tax effect					(5.51)		(5.51)		(5.51)
Adjustment in Non Controlling Interest during the year							-	(2.83)	(2.83)
Acquisition of subsidiary			(44.58)				(44.58)		(44.58)
Disposal of Subsidiary	-			-	-	-	-		-
Transfer to Retained earnings		(1.09)				1.09	-		-
Other Comprehensive Income	-	-	-	-	16.31	(6.48)	9.84		9.84
Balance at 31st March 2020	1,781.47	20,062.67	3,838.71	11.00	239.33	(4.62)	25,928.56	41.51	25,970.07

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 20 Borrowings (Non-Current)		
Term loans from banks (INR loan)	2,987.88	1,822.51
Foreign Currency Loan	1,094.65	964.59
Lease Obligations	36.03	27.72
Hire Purchase Finance	1.01	0.06
Long term Maturities Of finance lease Obligation	-	-
Commercial Vehicle Loan	3.52	1.19
	4,123.09	2,816.07
Less: Current Maturities of Long Term debt	(580.38)	(660.68)
	3,542.71	2,155.39
Unsecured	-	-
Loan from related parties	6.44	5.11
Total	3,549.15	2,160.50

Repayment terms and security disclosure for outstanding long-term borrowings (excluding current maturities) as on 31st March 2019

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.

Hire Purchase Loan is repayable in monthly installments and secured by assets purchased there against

Loan term finance lease obligation is secured against land taken on lease

(ii) Repayment Terms for Secured Borrowings

(₹ in millions)

Name of Bank	Type of Loan	31st March 2020	31st March 2019	Repayment Schedule
		Loan Amount	Loan Amount	
Union Bank of India and State Bank of India	Term Loan		79.46	18 quarterly installments remain balance as on 31st March 2020
State Bank of India, South India Bank, Union Bank of India and Allahabad Bank	Term Loan	941.40	1,020.98	32 quarterly installments remain balance as on 31st March 2020
ICICI Bank	ECB	76.70	115.10	4 half early installments remain balance on 31st March 2020
State Bank of India	FCNRTL		126.50	24 quarterly installments started from April 2015
Axis Bank	ECB		51.88	7 quarterly installments remain balance as on 31st March 2019
ICICI Bank	ECB		332.02	Quarterly installments payable from 30th June, 2020
ICICI Bank(New Loan)	Term Loan	750.00	-	16 quarterly installments remain balance as on 31st March 2020

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Name of Bank	Type of Loan	31st March 2020	31st March 2019	Repayment Schedule
		Loan Amount	Loan Amount	
ICICI Bank, Axis & Bank of Baroda (Phase V)	Term Loan	1,804.80	750.00	ICICI - 35 Quarterly installments remain balance on 31st March 2020 Axis and BOB - 36 Quarterly installments remain balance on 31st March 2020
Axis Bank	ECB	197.44	337.21	External Commercial Borrowing of USD 15 million (USD 2625000 outstanding) is repayable in 28 (unequal) quarterly installments beginning from April 2014 and ending on January 2021
State Bank of India	FCTL		4.76	18 quarterly installments remain balance as on 31st March 2020
Less : Amortisation of upfront fees		(3.40)	(30.81)	
Total		3,766.94	2,787.10	

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 21 Loans		
Security deposits received	124.48	374.00
Total	124.48	374.00

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 22 Other Financial Liabilities (Non-Current)		
Retention Money	74.33	49.21
Total	74.33	49.21

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 23 Provisions		
Provision for Employee Benefits - Gratuity	80.33	58.40
Provision for Employee Benefits -Leave/Provision for Renewable Energy Cess	191.50	1.34
Total	271.83	59.74

Notes to the consolidated Financial Statements for the year ended 31st March 2020

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 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	2,072.73	2,098.38
Others	6.11	14.24
Fair valuation of mutual funds and investments	85.84	82.98
Deferred tax assets arising on account of :		
Difference in value of assets as per books and as per tax		
Provision on receivables	(6.44)	(6.36)
Lease Liabilities	15.13	-
Expenditure allowed for tax purpose on payment basis (43B)	(70.65)	(39.95)
Amortisation of upfront fees (net)	0.98	(1.64)
Others	(152.62)	(143.60)
	1,951.08	2,004.05
Less: MAT credit Entitlement	(2,213.48)	(1,277.15)
Total	(262.40)	726.90

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 25 Other non current liabilities		
Liability for water charges	1,571.12	1,147.77
Deffered revenue grant	4.79	5.46
Creditors for capital goods	1,051.03	708.39
Total	2,626.94	1,861.62

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 26 Short-term Borrowings		
Secured		
Loans Repayable on Demand		
Foreign Currency Term loan * (From Body Corporate)	160.44	128.32
From banks - Working capital borrowings	3,202.01	1,429.59
Cash credit from Banks	3,623.63	2,351.29
Buyers' Credit	803.90	-
Inland Bill Discounting	420.49	-
Unsecured		
Collateralised borrowing bill discounting	1,000.81	518.48
Total	9,211.28	4,427.68

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.

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Note 27 Trade Payables		
Due to micro, small and medium enterprises	33.49	-
Due to others	4,990.36	3,106.10
Total	5,023.85	3,106.10

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Principal amount outstanding as at end of year	33.49	-
Principal amount overdue more than 45 days	7.22	-
Interest due and unpaid as at end of year	0.22	-
Interest accrued and remaining unpaid as at end of year	0.22	-
Amount of further interest remaining due and payable in succeeding year	41.15	-

*Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, the amount due to Micro, Small and Medium Enterprises, (including interest on outstanding dues) which are outstanding as at balance sheet date is Rs. 33.49 Million and interest on amount due for more than 45 days is Rs. 0.22 Million

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Note 28 Other financial liabilities		
Current maturities of long term debts	580.38	660.68
Retention money- Current	48.59	37.52
Bank O/D	0.02	0.02
Interest accrued but not due on borrowings	27.26	16.57
Creditors for capital goods	524.27	-
MTM payables	14.15	-
Employee related payables	161.44	143.64
Trade Deposits	152.05	152.05
Total	1,508.16	1,010.48

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Note 29 Other Current Liabilities		
Statutory dues	175.63	123.68
Creditors for capital goods	37.28	-
Advance from customers	399.39	354.50
Advance from related parties	2.70	-
Other payable	697.10	1,285.50
Deferred revenue grant	0.84	1.17
Total	1,312.94	1,764.85

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 30 Short-term Provisions		
Provision for Employee Benefits	5.44	4.78
Provision for Leave Encashment	0.14	0.12
Total	5.58	4.90

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 31 Current Tax Liabilities (Net)		
Provision for tax (Net of provisions)	66.19	-
Total	66.19	-

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 32 Short-term Provisions		
Operating revenue		
- Sale of manufactured products	41,838.80	44,261.42
- Sale of services	1,027.82	1,308.16
- Sale of Traded Goods	608.11	263.20
- Sale of Power	43.76	41.85
- Sale of By-Products	110.20	130.25
- Income from Carbon Credit	0.17	0.26
Total	43,628.86	46,005.14

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 33 Other Income		
Export incentive received	134.60	294.16
Sale of Stores	16.45	-
- Deposits	51.62	50.36
- Loans	8.02	72.97
- Others	0.37	-
Profit/Loss on sale of investments	18.37	73.33
- Derivative Instruments	0.62	-
- Mutual Fund	13.22	23.26
- Mutual Fund and Non Convertible debentures	(2.64)	-
Rent	18.49	-
Dividend received on mutual fund investments	6.01	205.58

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Notes to the consolidated Financial Statements for the year ended 31st March 2020

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Provision written back as per expected credit loss model	-	36.55
Profit on sales of Property, Plant and Equipment	4.34	0.49
Insurance claim received	13.98	13.93
Sundry Balances Written Back	49.46	-
Provision no longer required written back	46.23	77.32
Commission Income	6.42	-
Others	6.08	11.02
Total	391.64	858.97

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 34 Cost of Material Consumed		
Opening stock	4,926.79	3,599.71
Add: Purchases	35,399.52	31,104.92
	40,326.31	34,704.63
Less: Sales	1,650.11	1,950.12
Less: Closing Stock	11,544.32	4,926.79
Total	27,131.88	27,827.72

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.

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 35 Changes in Inventories		
Opening Stock		
Finished Goods	1,458.74	1,515.50
Work-in-Progress	29.19	1.92
Traded Goods	40.72	2.40
By-Products	344.68	80.97
	1,873.33	1,600.79
Closing Stock		
Finished Goods	2,352.67	1,458.74
Work-in-progress	24.85	29.19
Traded Goods	84.40	40.72
By-Products	371.15	344.68
	2,833.07	1,873.33
Add: Finished Goods transfer to Projects	24.79	25.23
(Increase)/ Decrease in Inventories	(984.53)	(297.77)

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 36 Employee Benefits Expense		
Salaries and Wages	1,558.42	1,345.85
Contribution to provident and other funds**	84.37	49.51
Staff welfare	40.76	54.89
Total	1,683.55	1,450.25

(a) During the year the Company recognised an amount of ₹ 81.76 millions (2018-19: ₹ 164.53 millions) as remuneration to Key Managerial Personnel. The details of such remuneration is as below:

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
(a) Short -term employees Benefits	75.28	133.39
(b) Post- employment benefits	6.48	4.14
(c) Other long-term benefits	-	27.00
Total	81.76	164.53

(a) For descriptive notes on disclosure of defined benefit obligation refer note 44.

(b) Refer Note 46 for Related party transactions and outstanding balances.

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 37 Finance Costs		
Interest Expense		
- On Borrowings	608.97	470.55
Exchange difference to the extent considered as an adjustment to borrowing costs	34.21	9.34
Other Borrowing Costs	190.89	160.81
Total	834.07	640.70

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 38 Depreciation and Amortisation Expense		
Depreciation	2,961.20	1,938.56
Depreciation on Right of use assets	2.06	
Amortisation	3.77	3.59
Total	2,967.03	1,942.15

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 39 Other Expenses		
Rent	334.86	270.56
Rates and taxes	778.56	678.16
Power, fuel and electricity	2,471.35	1,472.54
Bank Charges	24.68	
Consumption of stores and spares parts	2,877.28	2,707.11
Repairs		
Building	89.45	104.16
Machinery	160.85	124.43
Others	87.58	56.53
Insurance	42.69	21.43
Brokerage and commission on sales	176.38	113.16
Publicity Expenses	69.91	52.84
Legal and professional	124.23	61.63
Charity and donations	1.21	30.96
Loss on sale of Property, plant and equipments	1.71	-
Filing Fees	24.90	-
Labour charges	702.95	574.39
Freight	165.14	227.23
Payment to auditor	3.10	2.69
Corporate Social Responsibility	66.66	37.77
Loss on sale of Investments measured at fair value through Profit and Loss(Net)	2.86	211.67
Loss on Forward Contracts(Net)	14.15	54.65
Provision written back as per expected credit loss model	25.23	
Irrecoverable Debts, Claims and Advances Written Off	49.32	145.13
Foreign Exchange Fluctuation loss (net of gain)	134.31	158.07
Miscellaneous expenses (Nirjher's Coal Block Appplication Bidding)	373.08	280.48
Total	8,802.44	7,385.59

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Note 40 Tax Expense		
i) Current Tax		
Current tax	574.48	1,663.07
Total	574.48	1,663.07
ii) Deferred Tax		
Deferred tax	(764.62)	(161.12)
Less: Minimum alternate tax credit entitlement	258.52	230.81
Total	(1,023.14)	(391.93)

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Note 41 - 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.

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Net Profit / (Loss) attributable to equity shareholders		
Profit / (Loss) after tax	3,402.56	6,031.90
Nominal value of equity share (₹)	10.00	10.00
Weighted-average number of equity shares for basic & Diluted EPS	23,36,10,000	23,36,10,100
Basic & Diluted earnings per share (₹)	14.57	25.82

Note 42 - Significant accounting judgements, estimates and assumptions

The preparation of the Groups' 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 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.

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Note 43 - Commitments & Contingent Liabilities

(a) Capital commitments		(₹ in millions)	
Particulars	31st March 2020	31st March 2019	
Estimated amount of contracts remaining to be executed and not provided for (Net of Advances)	1,774.66	1,223.95	

(b) Contingent Liabilities & Guarantees		(₹ in millions)	
Particulars	31st March 2020	31st March 2019	
Unredeemed Bank Guarantees on behalf of the joint venture company	20.02	20.02	
Other Unredeemed Bank Guarantees	415.39	360.30	
Bills discounted with banks	195.54	75.07	
Demands/Claims by various Government authorities and others not acknowledged as debts:			
i. Excise Duty	1,119.75	1,052.18	
ii. Service Tax	1.38	1.38	
iii. Custom Duty	49.32	47.00	
iv. Sales Tax	243.36	238.70	
vi. ESI	1.39	1.39	
Total	2,046.14	1,796.04	

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.

		(₹ in millions)		
Particulars	31st March 2020		31st March 2019	
	Current	Non-current	Current	Non-current
Note 44 Employee Benefit Obligations				
Gratuity	2.96	38.71	4.78	58.40
Provident Fund	38.51			
Total	41.47	38.71	4.78	58.40

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.39 years (31st March 2020 - 6.39 years)

Notes to the consolidated Financial Statements for the year ended 31st March 2020

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

	(₹ in millions)	
	31st March 2020	31st March 2019
Changes in defined benefit obligation		
Present value obligation as at the start of the year	63.17	60.83
Interest cost	4.55	4.56
Current service cost	16.93	12.18
Benefits paid	(5.37)	(3.13)
Actuarial loss/(gain) on obligations	6.48	(11.26)
Present value obligation as at the end of the year	85.76	63.17
Breakup of Actuarial gain/loss:		(₹ in millions)
Particulars	31st March 2020	31st March 2019
Actuarial (gain)/loss on arising from change in financial assumption	7.73	1.67
Actuarial (gain)/loss on arising from experience adjustment	(1.25)	(12.93)
Amount recognized in the statement of profit and loss		(₹ in millions)
Particulars	31st March 2020	31st March 2019
Current service cost	16.93	12.18
Interest cost	4.55	4.56
Amount recognised in the statement of profit and loss	21.48	16.74
Amount recognised in the statement of Other Comprehensive Income		(₹ in millions)
Particulars	31st March 2020	31st March 2019
Actuarial Gain/(Loss) for the year on Plan Benefit Obligation	6.48	(11.26)
Unrecognised actuarial Gain/(Loss) at the end of the year	6.48	(11.26)
Reconciliation of present value of defined benefit obligation and the fair value of plan assets		(₹ in millions)
Particulars	31st March 2020	31st March 2019
Present value obligation as at the end of the year	85.77	63.18
Fair value of plan assets as at the end of the year	-	-
Net (asset)/ liability recognized in balance sheet	(85.77)	(63.18)
Actuarial Assumptions		(₹ in millions)
Particulars	31st March 2020	31st March 2019
Discount rate	7.70% p.a.	7.75% - 7.50%
Future salary increase	5.50% p.a.	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.

Notes to the consolidated Financial Statements for the year ended 31st March 2020

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 occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in millions)

Particulars	31st March 2020	31st March 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	85.77	62.16
a) Impact due to increase of 1.00 %	77.93	61.54
b) Impact due to decrease of 1.00 %	94.95	62.78
Impact of the change in salary increase		
Present value of obligation at the end of the year	85.77	62.16
a) Impact due to increase of 1.00 %	95.19	62.78
b) Impact due to decrease of 1.00 %	77.60	61.54

Note 45 - Financial instruments by category

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

(₹ in millions)

Type of Transactions	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments in equity instruments	1.46	567.85	-	1.46	559.85	-
Investments in mutual funds	603.61	-	-	1,985.98	-	-
Investment in Debentures	97.41	-	-	48.52	-	-
Trade receivables	-	-	2,590.19	-	-	2,129.06
Loans	-	-	89.38	-	-	474.06
Security deposit	-	-	117.94	-	-	16.90
Cash and equivalents	-	-	296.96	-	-	98.95
Other financial asset	-	-	608.48	-	-	686.23
Investment in Government Securities	-	-	1.04	-	-	1.04
Margin money	-	-	1,205.08	-	-	937.52
Total	702.48	567.85	4,909.07	2,035.96	559.85	4,343.76

Notes to the consolidated Financial Statements for the year ended 31st March 2020

(a) Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Financial assets		
Financial investments at FVOCI		
Equity instruments	567.85	559.85
Financial investments at FVTPL		
Equity instruments	1.46	1.46
Debentures	97.41	48.52
Mutual Fund	603.61	1,985.98
Total financial assets	1,270.33	2,595.81
Financial liabilities		
Derivatives not designated as hedges		
Derivative financial liabilities	-	-
Total	-	-

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

Type of Transactions	(₹ in millions)					
	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments						
Debenture	97.41	-	-	48.52	-	-
Mutual funds	603.61	-	-	1,985.98	-	-
Quoted equity instruments	14.52	-	-	19.81	-	-
Unquoted equity instruments	-	553.33	1.46	-	540.04	1.46
Investment in Government Securities	-	-	1.04	-	-	1.04
Investments in subsidiaries, associates and joint venture	-	-	9,542.68	-	-	9,416.20
Total financial assets	715.54	553.33	9,545.18	2,054.31	540.04	9,418.70
Financial liabilities						
Borrowings	-	-	13,340.81	-	-	7,248.86
Total	-	-	13,340.81	-	-	7,248.86

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.

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

(b) Fair value of financial assets and liabilities measured at amortised cost, FVTPL and FVTOCI

(₹ in millions)

Type of Transactions	31st March 2020		31st March 2019	
	Level 1	Level 3	Level 1	Level 3
Financial assets				
Carried at FVOCI				
Investments in equity instruments	567.85	567.85	559.85	559.85
Carried at amortised cost				
Trade receivables	2,590.19	2,590.19	2,129.06	2,129.06
Loans	89.38	89.38	474.06	474.06
Security deposit	117.94	117.94	16.90	16.90
Cash and equivalents	296.96	296.96	98.95	98.95
Other financial asset	608.48	608.48	686.23	686.23
Margin money	1,205.08	1,205.08	937.52	937.52
Investments in Government securities	1.04	1.04	1.04	1.04
Carried at FVTPL				
Investments in equity instruments	1.46	1.46	1.46	1.46
Investments in debentures	97.41	97.41	48.52	48.52
Investments in mutual funds	603.61	603.61	1,985.98	1,985.98
Total financial assets	6,179.40	6,179.40	6,939.57	6,939.57
Financial liabilities				
Carried at amortised cost				
Borrowings	13,340.81	13,340.81	7,248.86	7,248.86
Trade payable	5,023.85	5,023.85	3,106.10	3,106.10
Security deposit	124.48	124.48	374.00	374.00
Other financial liabilities	835.91	835.91	246.96	246.96
Total financial liabilities	19,325.05	19,325.05	10,975.92	10,975.92

(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, 2020 and 31st March 2019.

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Note 46 - 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

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

Platinum Minmet Private Limited
Dorite Tracon Private Limited
Shyam Solar Appliance Private Limited
Godawari Natural Resources Limited
Narantak Dealcomm Limited
Shyam Ferro Alloys Limited
Swarnrekha Abasan Private Limited
Shyam Emco Infrastructure Limited
Sunglow Complex Private Limited

Key Management Personnel

Shri Mahabir Prasad Agarwal	Chairman
Shri Brij Bhushan Agarwal	Managing Director
Shri Sanjay Kumar Agarwal	Managing Director
Shri Deepak Kumar Agarwal	Director
Shri Bikram Munka	Director
Shri Bhagwan Shaw	Director
Shri Dev Kumar Tiwari	Director
Shri Birendra Kumar Jain	Company Secretary
Shree Shree Kumar Dujari	Chief Financial Officer
Shri Bajrang Lal Agarwal	Director
Shri Susmit Changia	Chief Financial Officer

Relatives to Key Management Personnel

Relative's Name

Mrs. Kiran Vimal Agarwal
Mrs. Sumitra Devi Agarwal
Mrs. Mittu Agarwal
Mrs. Anita Jhunjhunwala
Mrs. Bina Devi Agarwal
Mrs. Pooja Agarwal
Mr. Mahabir Prasad Agarwal

Relation

Daughter of Shri Mahabir Prasad Agarwal
Mother of Mr. Brij Bhushan Agarwal
Wife of Mr. Brij Bhushan Agarwal
Daughter of Mr. Mahabir Prasad Agarwal
Wife of Mr. Bajrang Lal Agarwal
Wife of Mr. Sanjay Kumar Agarwal
Father of Mr. Brij Bhushan Agarwal

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

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:

(₹ in millions)

Type of Transactions	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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1. Sale of Goods								
Shyam Ferro Alloys Limited	-	-	-	-	239.37	770.92	239.37	770.92
Salagram Power and Steel Private Limited	-	-	-	-	-	25.48	-	25.48
2. Office Maintenance (Expense)								
Improved Realtors Private Limited	-	-	-	-	0.35	0.35	0.35	0.35
3. Purchase of Goods								
Shyam Ferro Alloys Limited	-	-	-	-	2.29	24.14	2.29	24.14
Shyam Solar Appliance Pvt. Ltd.	-	-	-	-	21.72	-	21.72	-
4. Rent Paid (Net of TDS)								
Toplight Mercantile Private Limited	-	-	-	-	0.67	0.67	0.67	0.67
Improved Realtors Private Limited	-	-	-	-	0.21	0.21	0.21	0.21
Hrashva Storage and Warehousing Private Limited	-	-	-	-	0.26	0.30	0.26	0.30
5. Rent Received								
Narantak Dealcomm Limited	-	-	-	-	0.45	0.45	0.45	0.45
Subham Capital Private Limited	-	-	-	-	0.45	0.55	0.45	0.55
6. Commission (Expense)								
Kalinga Infra-Projects Ltd.	-	-	-	-	-	-	-	-
Shyam Solar Appliance Pvt. Ltd.	-	-	-	-	7.58	-	7.58	-
Subham Buildwell Pvt. Ltd.	-	-	-	-	10.79	-	10.79	-
Suhag Overseas Trading Pvt. Ltd.	-	-	-	-	22.12	-	22.12	-
Meghana Vyaapar Private Limited	-	-	-	-	18.62	-	18.62	-
7. Key Managerial Personnel Compensation (Short Term Employee Benefits)								
Mr. Bajrang Lal Agarwal	-	-	6.00	6.00	-	-	6.00	6.00
Mr. Mahabir Prasad Agarwal	-	-	6.00	6.00	-	-	6.00	6.00
Mr. Brij Bhusan Agarwal	-	-	43.13	45.00	-	-	43.13	45.00
Mr. Sanjay Agarwal	-	-	8.63	9.00	-	-	8.63	9.00
Mr. Dev Kumar Tiwari	-	-	1.75	1.74	-	-	1.75	1.74
Mr. Bikram Munka	-	-	1.82	1.29	-	-	1.82	1.29
Mr. Raj Prakash Verma	-	-	0.42	0.29	-	-	0.42	0.29
Mr. Sanjeev Kr. Sachan (up to 15.11.2018)	-	-	-	3.02	-	-	-	3.02
Mr. Susmit Changia	-	-	1.70	1.43	-	-	1.70	1.43
Mr. Bhagwan Shaw	-	-	0.59	0.56	-	-	0.59	0.56

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Type of Transactions	(₹ in millions)							
	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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Mr. Birendra Kumar Jain	-	-	1.29	1.33	-	-	1.29	1.33
Mr. Sree Kumar Dujari	-	-	2.49	2.09	-	-	2.49	2.09
Mr. Deepak Kumar Agarwal	-	-	3.60	3.50	-	-	3.60	3.50
8. Advance Against Salary								
Mr. Brij Bhushan Agarwal	-	-	70.00	-	-	-	70.00	-
9. Purchase of Investments								
Dorite Tracon Private Limited	-	-	-	-	31.43	625.22	31.43	625.22
Kalpataru HouseFin & Trading Pvt. Ltd.	-	-	-	-	12.71	-	12.71	-
Meghana Vyapaar Pvt. Ltd.	-	-	-	-	-	-	-	0.23
Narantak Dealcomm Ltd.	-	-	-	-	-	-	-	36.62
Shyam Greenfield Developer Pvt. Ltd.	-	-	-	-	-	-	-	0.07
Shyam Solar Appliance Pvt. Ltd.	-	-	-	-	-	-	-	0.02
Kolhan Complex Pvt. Ltd.	-	-	-	-	0.04	-	0.04	-
Damodar Aluminium Private Limited	-	-	-	-	0.03	-	0.03	-
Shree Sikhar Iron & Steel Pvt. Ltd.	-	-	-	-	0.04	-	0.04	-
Subham Capital Pvt. Ltd.	-	-	-	-	0.80	-	0.80	-
Toplight Mercantile Pvt. Ltd.	-	-	-	-	0.78	-	0.78	-
Kalinga Infra Projects Ltd	-	-	-	-	0.45	-	0.45	-
Narantak Dealcomm Limited	-	-	-	-	-	1,432.70	-	1,432.70
Singhbhum Steel & Power Private Limited	-	-	-	-	0.05	27.32	0.05	27.32
10. Sale of Investments								
Shyam Ferro Alloys Limited	-	-	-	-	-	30.97	-	30.97
Nirjhar Commodities Pvt Ltd	-	-	-	-	0.04	-	0.04	-
Subham Capital Private Limited	-	-	-	-	-	0.89	-	0.89
Kalpataru HouseFin & Trading Pvt. Ltd.	-	-	-	-	-	12.39	-	12.39
Brij Bhusan Agarwal Family Trust	-	-	-	10.03	-	-	-	10.03
Sumitra Devi Agarwal	-	-	-	11.80	-	-	-	11.80
Sheetij Agarwal	-	-	-	17.11	-	-	-	17.11
Subham Agarwal	-	-	-	17.41	-	-	-	17.41
11. Unsecured Loans Repaid								
Shyam Energy Limited	-	-	-	-	-	26.90	-	26.90
12. Unsecured Loans Received								
Shyam Energy Limited	-	-	-	-	-	26.90	-	26.90
13. Unsecured Loans Given								
Hrashva Storage and Warehousing Private Limited	-	-	-	-	-	166.85	-	166.85
14. Unsecured Loans received back								

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Type of Transactions	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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Hrashva Storage and Warehousing Private Limited	-	-	-	-	-	6.81	-	6.81
15. Advances Given / Payment for Purchases								
Damodar Aluminium Private Limited	-	-	-	-	40.35	0.06	40.35	0.06
Britasia Hydro Power Pvt. Ltd.	-	-	-	-	0.00	-	0.00	-
Dorite Tracon Private Limited	-	-	-	-	252.76	1,091.02	252.76	1,091.02
Essel Plywood Pvt Ltd	-	-	-	-	0.29	7.58	0.29	7.58
Hrashva Storage & Warehousing Private Limited	-	-	-	-	618.63	28.19	618.63	28.19
Meadow Housing Pvt. Ltd.	-	-	-	-	0.03	-	0.03	-
Kalinga Energy & Power Limited	-	-	-	-	-	0.01	-	0.01
Kalinga Infra-Projects Ltd.	-	-	-	-	53.28	0.07	53.28	0.07
Kalpataru HouseFin & Trading Private Limited	-	-	-	-	25.41	134.91	25.41	134.91
Kolhan Complex Private Limited	-	-	-	-	18.78	0.03	18.78	0.03
Meghana Vyapaar Pvt. Ltd.	-	-	-	-	110.63	75.02	110.63	75.02
Narantak Dealcomm Limited	-	-	-	-	1,343.89	1,903.73	1,343.89	1,903.73
Nirjhar commodities Pvt. Ltd	-	-	-	-	-	0.05	-	0.05
Renaissance Hydro Power Pvt. Ltd.	-	-	-	-	-	0.01	-	0.01
Shyam Energy Limited	-	-	-	-	26.68	0.05	26.68	0.05
Shyam Emco Infrastructure Limited	-	-	-	-	-	-	-	-
S S Natural Resources Pvt. Ltd.	-	-	-	-	202.56	2.22	202.56	2.22
Shyam Century Multi Projects Pvt. Ltd.	-	-	-	-	0.00	-	0.00	-
Shyam Ferro Alloys Limited	-	-	-	-	0.12	20.80	0.12	20.80
Shyam Greenfield Developer Pvt. Ltd.	-	-	-	-	0.17	58.00	0.17	58.00
Shyam Ferro Alloys Limited	-	-	-	-	0.21	-	0.21	-
Shyam Solar Appliance Private Limited	-	-	-	-	42.83	13.45	42.83	13.45
Sindbad Hydro Power Private Limited	-	-	-	-	0.00	0.01	0.00	0.01
Subham Buildwell Private Limited	-	-	-	-	27.39	2.40	27.39	2.40
Subham Capital Private Limited	-	-	-	-	2,307.81	2,610.27	2,307.81	2,610.27
Suhag Overseas Trading Pvt. Ltd.	-	-	-	-	31.54	10.25	31.54	10.25
Swarnrekha Abasan Private Limited	-	-	-	-	-	-	-	-
Singhbhum Steel & Power Private Limited	-	-	-	-	2.09	-	2.09	-
Shyam Ores (Jharkhand) Private Limited	-	-	-	-	650.74	-	650.74	-
Taurus Estate Pvt. Ltd.	-	-	-	-	-	-	-	-
Whispering Developers Pvt. Ltd.	-	-	-	-	-	-	-	-

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Type of Transactions	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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Toplight Mercantile Private Limited	-	-	-	-	440.29	327.31	440.29	327.31
16. Advances Received / Receipt against Sale								
Damodar Aluminium Private Limited	-	-	-	-	40.28	0.06	40.28	0.06
Britasia Hydro Power Pvt. Ltd.	-	-	-	-	0.00	-	0.00	-
Meghana Vyaapar Private Limited	-	-	-	-	110.40	25.40	110.40	25.40
Narantak Dealcomm Ltd.	-	-	-	-	1,307.73	-	1,307.73	-
Meadow Housing Pvt. Ltd.	-	-	-	-	0.03	-	0.03	-
Shyam Ores (Jharkhand) Private Limited	-	-	-	-	490.27	-	490.27	-
Dorite Tracon Private Limited	-	-	-	-	221.33	330.52	221.33	330.52
Essel Plywood Private Limited	-	-	-	-	0.29	7.58	0.29	7.58
Hrashva Storage and Warehousing Private Limited	-	-	-	-	19.89	29.01	19.89	29.01
Kalinga Energy & Power Limited	-	-	-	-	-	0.01	-	0.01
Kolhan Complex Pvt. Ltd.	-	-	-	-	18.74	-	18.74	-
Singhbhum Steel & Power Private Limited	-	-	-	-	2.04	-	2.04	-
Kalinga Infra-Projects Ltd.	-	-	-	-	45.65	0.24	45.65	0.24
Kalpataru HouseFin & Trading Private Limited	-	-	-	-	12.70	134.91	12.70	134.91
S S Natural Resources Pvt. Ltd.	-	-	-	-	202.56	52.22	202.56	52.22
Narantak Dealcomm Limited	-	-	-	-	-	654.03	-	654.03
Nirjhar commodities Pvt. Ltd	-	-	-	-	-	0.05	-	0.05
Renaissance Hydro Power Pvt. Ltd.	-	-	-	-	-	0.01	-	0.01
Shyam Energy Limited	-	-	-	-	26.49	-	26.49	-
Shyam Greenfield Developer Pvt. Ltd.	-	-	-	-	0.10	58.00	0.10	58.00
Shyam Emco Infrastructure Limited	-	-	-	-	-	-	-	-
Shyam Ferro Alloys Limited	-	-	-	-	453.09	755.32	453.09	755.32
Sindbad Hydro Power Pvt. Ltd.	-	-	-	-	0.00	0.01	0.00	0.01
Shyam Solar Appliance Private Limited	-	-	-	-	10.30	13.45	10.30	13.45
Godawari Natural Resources Limited	-	-	-	-	-	0.18	-	0.18
Sindbad Hydro Power Private Limited	-	-	-	-	-	0.01	-	0.01
Subham Buildwell Private Limited	-	-	-	-	5.27	2.40	5.27	2.40
Subham Capital Private Limited	-	-	-	-	2,307.56	2,610.27	2,307.56	2,610.27
Suhag Overseas Trading Pvt. Ltd.	-	-	-	-	11.14	10.25	11.14	10.25
Swarnrekha Abasan Private Limited	-	-	-	-	-	25.00	-	25.00
Taurus Estate Pvt. Ltd.	-	-	-	-	-	-	-	-
Whispering Developers Pvt. Ltd.	-	-	-	-	-	-	-	-
Toplight Mercantile Private Limited	-	-	-	-	438.83	327.31	438.83	327.31

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Type of Transactions	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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
17. Loans Received								
Narantak Dealcomm Limited	-	-	-	-	756.00	1,249.70	756.00	1,249.70
Dorite Tracon Private Limited	-	-	-	-	361.90	760.50	361.90	760.50
Subham Capital Private Limited	-	-	-	-	645.00		645.00	-
Shyam Emco Infrastructure Limited	-	-	-	-	33.50		33.50	-
18. Loans Repaid								
Narantak Dealcomm Limited	-	-	-	-	756.00	1,249.70	756.00	1,249.70
Subham Capital Private Limited	-	-	-	-	645.00		645.00	-
Dorite Tracon Private Limited	-	-	-	-	361.90	760.50	361.90	760.50
Shyam Emco Infrastructure Limited	-	-	-	-	33.50		33.50	-
19. Balances outstanding on account of Receivables/(Payable)								
Shyam Sel and Power Limited	-	-	-	-	459.96		459.96	-
Godawari Natural Resources Limited	-	-	-	-	-	-	-	-
Singhbhum Steel & Power Private Limited	-	-	-	-	1.07		1.07	-
Kalinga Infra Projects Ltd.	-	-	-	-	0.50		0.50	-
Damodar Aluminum Pvt Ltd.	-	-	-	-	1.01		1.01	-
Shyam Energy Limited	-	-	-	-	0.20		0.20	-
Shyam ore (Jharkhand) Pvt Ltd	-	-	-	-	163.76		163.76	-
Meadow Housing Private Limited	-	-	-	-	2.90		2.90	-
Shree Sikhar Iron & Steel Pvt. Ltd.	-	-	-	-	0.06		0.06	-
Dorite Tracon Private Limited	-	-	-	-	(56.55)	(151.97)	(56.55)	(151.97)
Shyam Ferro Alloys Limited	-	-	-	-	(137.19)	12.27	(137.19)	12.27
Platinum Minmet Private Limited	-	-	-	-	0.87	0.94	0.87	0.94
Hrashva Storage and Warehousing Private Limited	-	-	-	-	890.30	183.55	890.30	183.55
Subham Capital Private Limited	-	-	-	-	456.06		456.06	-
Kolhan Complex Pvt Ltd	-	-	-	-	2.50		2.50	-
Kecons Tradecare Private Limited	-	-	-	-	100.00	100.00	100.00	100.00
S S Natural Resources Pvt. Ltd.	-	-	-	-	(50.00)	(50.00)	(50.00)	(50.00)
Meghana Vyaapar Private Limited	-	-	-	-	17.54		17.54	-
Renaissance Hydro Power Private Limited	-	-	-	-	0.10		0.10	-
Narantak Dealcomm Limited	-	-	-	-	(322.53)	(540.63)	(322.53)	(540.63)

Note 47 - 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.

Notes to the consolidated Financial Statements for the year ended 31st March 2020

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 carries 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.

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Variable rate borrowings	8,947.02	5,306.39
Fixed rate borrowings	4,043.47	1,945.36

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 variables held constant, the Group's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Increase by 50 basis points (31st March, 2018: 50 bps)	(44.74)	(26.53)
Decrease by 50 basis points (31st March, 2018: 50 bps)	44.74	26.53

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 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.

Shyam Metalics and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

(₹ in millions)

Nature of Item	Currency	31st March 2020		31st March 2019	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Buyer's Credit	USD (\$)	0.34	25.87	-	-
Creditors	USD (\$)	27.86	2,100.39	18.59	1,285.77
Supplier's Credit	USD (\$)	-	-	11.08	766.70
Debtors	USD (\$)	2.71	204.10	1.34	92.45
Term Loan	USD (\$)	7.89	594.87	13.98	967.48
Interest Accrued but not due	USD (\$)	-	-	0.22	15.16
Working Capital Demand Loan / Packing Credit	USD (\$)	-	-	5.99	414.53

(₹ in millions)

Nature of Item	Currency	31st March 2020		31st March 2019	
		Value In Foreign Currency	Value In INR	Value In Foreign Currency	Value In INR
Debtors	EURO	-	-	0.76	58.67

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in millions)

Nature of Item	Effect on Profit/(Loss) before tax	
	31st March 2020	31st March 2019
Increase by 5% (31st March, 2018 - 5%)	(124.56)	(128.77)
Decrease by 5% (31st March, 2018 - 5%)	124.56	128.77

(₹ in millions)

Nature of Item	Effect on Profit/(Loss) before tax	
	31st March 2020	31st March 2019
Increase by 5% (31st March, 2018 - 5%)	-	1.47
Decrease by 5% (31st March, 2018 - 5%)	-	(1.47)

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.

Notes to the consolidated Financial Statements for the year ended 31st March 2020

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 5435.08 and ₹ 6559.77 millions, as at March 31, 2020 and 2019 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and other financial assets.

(i) Trade receivables

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

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. 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 2020 and 31st March 2019 is the carrying amount.

(iii) 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. Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest in USD and receive a variable interest on the notional.

Notional Amount	To Pay	To Receive	₹ in millions)	
			31st March 2020	31st March 2019
USD 2000000	1.65%	3 Months Libor	0.01	0.17
USD 4000000	1.70%	3 Months Libor	0.01	0.31
USD 3000000	1.87%	3 Months Libor	0.00	0.31
USD 4000000	1.58%	3 Months Libor	0.01	0.38
USD 2500000	1.65%	3 Months Libor	0.01	0.21
USD 1500000	1.75%	3 Months Libor	0.01	0.11
USD 3000000	1.53%	3 Months Libor	0.01	0.16
USD 1625000 (Previous Year USD 325000)	1.74%	3 Months Libor	0.15	1.07
USD 1625000 (Previous Year USD 325000)	1.91%	3 Months Libor	0.23	0.86
USD 1625000 (Previous Year USD 325000)	1.89%	3 Months Libor	0.21	0.89

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

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

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Notes to the consolidated Financial Statements for the year ended 31st March 2020

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 Group's financial liabilities based on contractual undiscounted payments:

(₹ in millions)					
Year ended 31st March 2020	Upto 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Contractual maturities of borrowings	3,978.74	1,396.80	1,715.60	-	7,091.14
Contractual maturities of finance lease obligations	2.49	4.98	4.98	228.99	241.45
Contractual maturities of Other financial liability	1,417.11	1,417.11	-	-	2,834.22
Contractual maturities of trade payables	5,023.85	-	-	-	5,023.85
(₹ in millions)					
Year ended 31st March 2019	Upto 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Contractual maturities of borrowings	5,857.61	499.09	606.62	1,023.27	7,986.59
Contractual maturities of finance lease obligations	3.16	3.07	7.48	15.26	28.97
Contractual maturities of trade payables	3,106.10	-	-	-	3,106.10

Note 48 - Ind As 116

Company as a Lessee

The company has applied Ind As 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 1 of Accounting Policies.

Impact on Balance Sheet (Increase/Decrease)

(₹ in millions)	
Particulars	1st April 2019
Right to use assets presented in property, plant and equipment	39.57
Lease Liabilities	39.57

The Company has lease contracts for land and buildings used in its operations. For Buildings the lease term generally varies between 2 to 5 years and for land it can extend upto 90 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

(₹ in millions)		
Particulars	31st March 2020	31st March 2019
Initial recognition on adoption of Ind AS 116		
Reclassified from Leasehold Land to ROU asset on adoption of Ind AS 116	403.02	-
As at 1st April 2019		
Addition during the year		
Leasehold Land	6.27	-
Leasehold Building	37.7	-
Depreciation Expense		
Leasehold Land	2.48	-
Leasehold Building	8.26	-
As at 31st March 2020	436.25	-

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
As at 1st April 2020		
Addition during the year	67.29	-
Add: Finance Cost	6.25	-
Less: Rent	9.79	-
Total	63.75	-

The Company has not applied Ind As 116 on low value assets and short term leases.

Particulars	(₹ in millions)	
	31st March 2020	31st March 2019
Loss of Revenue in March Due to COVID19	1,287.07	-
Total	1,287.07	-

In March 2020, the WHO declared COVID - 19 outbreak as a pandemic which continues to spread across the country. On 25th March 2020, the Government of India had declared this pandemic a health emergency and ordered temporary closure of all non-essential businesses and imposed restrictions on movement of goods/material, travel etc. The company has been allowed to continue its operations as majority of its plant falls under continuous process industry. However, disruptions of businesses world wide and economic slowdown may have its eventual impact on the company. The company has made intitial assessment of likely adverse impact on economic environment in general and financial risk on account of COVID-19. Further, Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal installments falling due to banks and financial institutions till August 2020. This will largely mitigate the stress cash flows of the company during the period of COVID-19. In assessing the recoverability of Trade Receivables measured at amortised cost and inventories at realisable value as stated in the standalone financial statements, the Company has considered internal and external information upto the date of approval of these financial results. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of this pandemic may be different from that estimated as at the date of approval of these financial results and the company will continue to closely monitor any material changes in future economic conditions.

On Long term basis also, the company does not anticipate any major challenge in meeting its financial obligations. The management has estimated its future cash flows which indicate no major change in financial performance as estimated prior to COVID-19 impact

Note 49 - 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.

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Borrowings (Note - 20, 26 and 28)	13,340.81	7,248.86
Trade payables (Note-27)	5,023.85	3,106.10
Less: Cash and cash equivalents (Note-12)	296.96	98.95
Less: Current investments (Note - 10)	715.54	2,054.31
Net debt	17,352.16	8,201.70
Equity	2,336.10	2,336.10
Other Equity	25,928.56	22,566.25
	28,264.66	24,902.35
Capital and net debt	1.63	3.04
Gearing ratio	38.04%	24.78%

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, 2019 and 31st March, 2018.

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 50 Statutory auditors' remuneration (excluding goods and service tax) and expenses :		
Statutory Audit Fees	2.19	2.19
Tax Audit Fees	0.15	0.15
Fees for Other Services	0.42	0.67
Total	2.76	3.01

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Note 51 Additional Information		
i) Expenditure in Foreign Currency (on accrual basis)		
Travelling expenses	1.51	6.23
Demurrage Charges on Import of Raw Materials	43.25	101.65
Raw Materials	2,775.38	3,899.48
Interest on Loan	11.62	61.76

ii) Earnings in Foreign Currency (on accrual basis)

	(₹ in millions)	
Particulars	31st March 2020	31st March 2019
Exports (F.O.B. value)	4,211.14	7,989.23

Note 52 - Long Term and Derivative Contract

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

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Note 53 - Investor Education and Protection Fund

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 2020	31st March 2019	
Accounting profit before income tax	2,953.79	7,629.62	
Enacted tax rate in India	34.94%	34.94%	
Computed expected tax expenses	1,032.17	2,666.10	
Tax holidays	(1,583.19)	(3,921.60)	
Income exempted from tax	(0.62)	(202.38)	
Other Adjustments	1,000.30	186.74	
Income Tax recognised in Profit and Loss account	(448.66)	1,271.14	

Note 54 - 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 2020					(₹ in millions)
Notional Amount	Amount	In cash	Yet to be paid in cash	Total	
Gross amount required to be spent by the Company during the year	80.74	43.28	8.64	51.92	
Amount Spent during the year towards activities specified	23.38	-	-	-	
i) Construction/ acquisition of any assets	-	-	-	-	
ii) On purpose other than (i) above	66.66	43.28	-	43.28	

For The Year Ended 31st March 2019					(₹ in millions)
Notional Amount	Amount	In cash	Yet to be paid in cash	Total	
Gross amount required to be spent by the Company during the year	12.41	12.41	8.64	12.41	
Amount Spent during the year towards activities specified	-	-	-	-	
i) Construction/ acquisition of any assets	-	-	-	-	
ii) On purpose other than (i) above	28.90	28.90	-	28.90	

		(₹ in millions)	
Particulars	31st March 2020	31st March 2019	
Note 54 Value of imports calculated on CIF Basis			
Raw Materials	5,202.42	7,075.25	

Note 55 - 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.

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Note 56 - Long Term and Derivative Contract

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

Note 57 - Figures of previous year have been regrouped/rearranged/rectified wherever necessary to make them comparable with the current periods figures

Note 58 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

Note 59 - Subsequent to March 31, 2018 and before the signing of the Balance Sheet, Shyam Metals and Energy Limited (SMEL) has acquired balance 17.30% equity shares of Shyam SEL and Power Limited (SSPL) from Narantak Dealcomm Limited, Dorite Tracon Private Limited, Singhbhum Steel and Power Pvt Ltd. Consequent to the said acquisition, SSPL has become a wholly owned subsidiary of SMEL.

		(₹ in millions)	
Name of Companies	Country of Incorporation	As at 31st March 2020	As at 31st March 2019
Note 60 List of Subsidiaries, Associates & Joint Ventures included in the Consolidated Financial Statements are as under:			
Subsidiary			
Shyam Sel and Power Limited	India	100.00%	100.00%
Damodar Aluminium Private Limited	India	54.15%	54.15%
Singhbhum Steel & Power Private Limited	India	91.45%	91.45%
Shyam Ores (Jharkand) Private Limited	India	100.00%	100.00%
Renaissance Hydro Power Private Limited	India	100.00%	100.00%
Kalinga Infra Projects Limited	India	90.00%	0.00%
Step Down Subsidiary			
Whispering Developers Private Limited	India	67.57%	67.57%
Taurus Estates Private Limited	India	89.29%	89.29%
Shyam Energy Limited	India	86.46%	86.46%
Hrashva Storage and Warehousing Private Limited (Formerly known as Uttar Purva Hydropower Private Limited)	India	100.00%	0.00%
Meadows Housing Private Limited	India	99.05%	71.43%
Shree Sikhar Iron & Steel Pvt Ltd	India	100.00%	0.00%
Nirjhar Commodities Pvt Ltd	India	73.00%	0.00%
Associate			
Meghana Vyapaar Private Limited	India	33.51%	33.51%
Kecons Tradecare Private Limited	India	47.32%	47.32%
Kolhan Complex Private Limited	India	49.88%	29.87%
Joint Venture			
MJSJ Coal Limited	India	9%	9%
Kalinga Energy and Power Limited	India	0%	50%

Notes to the consolidated Financial Statements for the year ended 31st March 2020

(₹ in millions)

Name of the entity in the group	As at March 31, 2020							
	Net Assets i.e. total assets minus Liabilities		Share in profit and loss		Share in other comprehensive		Share in total comprehensive income	
	As % of	(Amount in	As % of	(Amount in	As % of	(Amount in	As % of	(Amount in
	Consolidated Net Assets	₹ millions)	Consolidated Profit & Loss	₹ millions)	Consolidated Other Comprehensive Income	₹ millions)	Consolidated Total Comprehensive Income	₹ millions)
Parent								
Shyam Metals and Energy Limited	34%	9,731.66	31%	1,057.14	234%	10.11	31%	1,067.25
Subsidiaries								
Shyam Sel & power Limited	63%	17,803.54	70%	2,375.50	-134%	(5.78)	70%	2,369.72
Damodar Aluminium Private Limited	0%	21.17	0%	(1.05)	0%	-	0%	(1.05)
Singhbhum Steel & Power Private Limited	0%	26.63	0%	0.95	0%	-	0%	0.95
Shyam Ores (Jharkhand) Private Limited	0%	(23.17)	-1%	(24.79)	0%	-	-1%	(24.79)
Renaissance Hydropower Private Limited	0%	(0.10)	0%	(0.14)	0%	-	0%	(0.14)
Kalinga Infra Projects Limited	0%	3.76	0%	3.24	0%	-	0%	3.24
Step down subsidiaries								
Whispering Developers Private Limited	0%	7.18	0%	-	0%	-	0%	-
Taurus Estates Private Limited	0%	8.16	0%	-	0%	-	0%	-
Shyam Energy Limited	1%	191.22	0%	(0.03)	0%	-	0%	(0.03)
Meadow Housing Private Limited	0%	10.24	0%	-	0%	-	0%	-
Hrashva Storage and Warehousing Private Limited (Formerly known as Uttar Purva Hydropower Private Limited)	0%	63.46	0%	4.71	0%	-	0%	4.71
Shree Sikhar Iron & Steel Pvt Ltd	0%	39.76	0%	(13.26)	0%	-	0%	(13.26)
Nirjhar Commodities Pvt Ltd	0%	(0.10)	0%	0.21	0%	-	0%	0.21

Shyam Metals and Energy Limited

Notes to the consolidated Financial Statements for the year ended 31st March 2020

Name of the entity in the group	As at March 31, 2020							
	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 ₹ millions)	As % of Consolidated Profit & Loss	(Amount in ₹ millions)	As % of Consolidated Other Comprehensive Income	(Amount in ₹ millions)	As % of Consolidated Total Comprehensive Income	(Amount in ₹ millions)
Non controlling Interest in all Subsidiaries	0%	41.51	-	-			0%	-
Associates								
Keons Tradecare Private Limited	1%	210.91	0%	-	0%	-	0%	-
Meghana Vyapar Private Limited	0%	132.10	0%	-	0%	-	0%	-
Kolhan Complex Private Limited	0%	38.23	0%	-	0%	-	0%	-
TOTAL	100%	28,306.17	100%	3,402.48	100%	4.33	100%	3,406.81

As per our report of even date attached
For **S K Agrawal and Co.**
Chartered Accountants
Firm Registration Number: 306033E

For and on behalf of the Board of Directors

Vivek Agarwal
Partner
Membership No: 301571

Brij Bhushan Agarwal
Vice Chairman and Managing Director
DIN 01125056

Sanjay Kumar Agarwal
Managing Director
DIN 00232938

Place: Kolkata
Date : 28th September 2020

Shree Kumar Dujari
Chief Financial Officer

Birendra Kumar Jain
Company Secretary
A8305



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