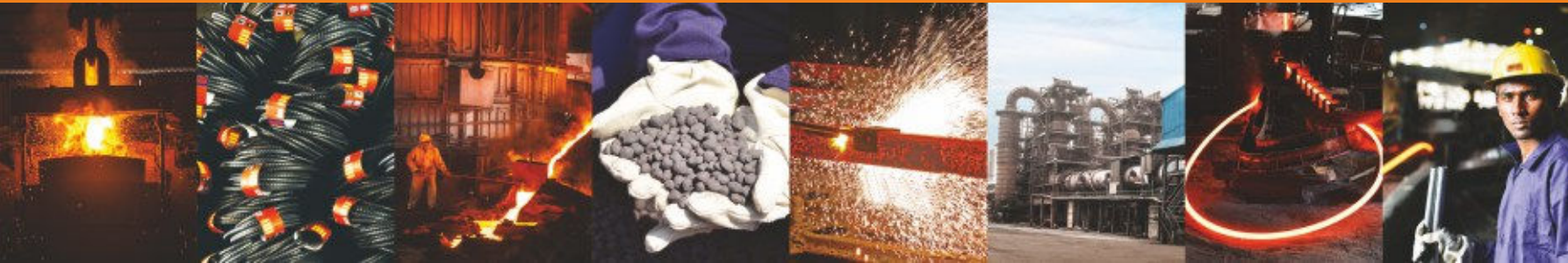


**THINK SUSTAINABLE
ACT RESPONSIBLE**



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**THINK SUSTAINABLE
ACT RESPONSIBLE**

SEL™



Corporate Brochure

**STRENGTH
BEYOND STEEL**



GROWTH THROUGH EXCELLENCE

Dear Colleagues and Friends,

Welcome to Shyam Metals.

We are a leading integrated metal producing company based in India with a focus on long steel products and ferro alloys. We are amongst the largest producers of ferro alloys in terms of installed capacity in India, as of February 2021. We currently operate two 'ore to metal' integrated steel manufacturing plants one each in Sambalpur, Odisha and Jamuria, West Bengal. The integrated nature (backward and forward integration) of our manufacturing plants has resulted in the control over all aspects of our operations (with the exception of sourcing of primary raw materials) as well as operating margins, thereby enabling us to focus more on quality and create multiple points of sale across the steel value chain.

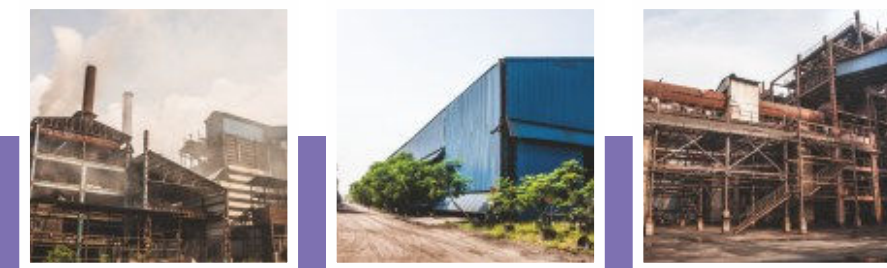
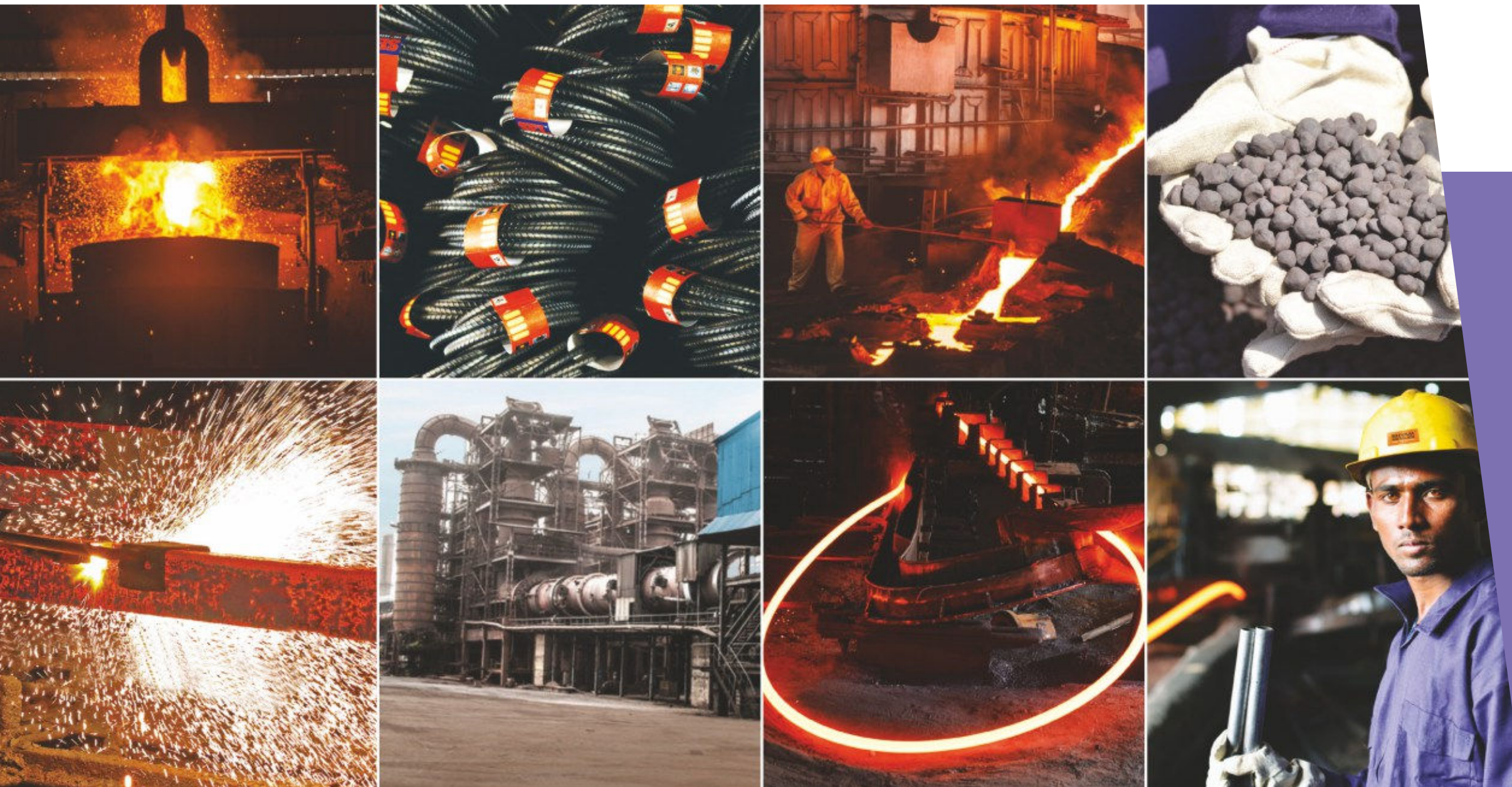
We sell our products to institutional customers and end consumers through our distribution network.

We have also obtained strong credit ratings. In particular, our Company and our Subsidiary, Shyam SEL and Power Limited, has received CRISIL A1+, CRISIL AA-/ Stable, and CRISIL A1+ rating from CRISIL for their short-term (bank facilities) rating, long-term (bank facilities) rating and commercial paper, respectively. In addition, our Company and our Subsidiary, Shyam SEL and Power Limited, has received CARE A1+, CARE AA-/ Stable, and CARE A1+ rating from CARE for their short-term (bank facilities) rating, long-term (bank facilities) rating and commercial paper, respectively.

Our diversified Board of Directors is supplemented by a strong senior management team with significant experience in the metal industry and some of them have been associated with our Company since its commencement of operations.

With Best Wishes

M. P. Agarwal
Chairman



OUR COMPANY AT A GLANCE

We are a leading integrated metal producing company based in India (*Source: CRISIL Report*) with a focus on long steel products and ferro alloys. We are amongst the largest producers of ferro alloys in terms of installed capacity in India, as of February 2021 (*Source: CRISIL Report*). We have the ability to sell intermediate and final products across the steel value chain. As of March 31, 2020, we were one of the leading players in terms of pellet capacity and the fourth largest player in the sponge iron industry in terms of sponge iron capacity in India (*Source: CRISIL Report*). We were also one of the leading integrated steel and ferro alloys producers in the eastern region of India in terms of long steel products, as of March 31, 2020 (*Source: CRISIL Report*). We have a consistent track record of delivering operating profitability, and since the commencement of our operations in Fiscal 2005, we have delivered a positive EBITDA in each of the Fiscals.

WHAT WE DO



IRON PELLETS

Pellets are a type of agglomerated iron ore fines, which has better tumbler index when compared with that of parent iron ore and can be used as a substitute of lump ore for the production of sponge iron and in blast furnaces for the production of hot metal.

The iron pellets are produced with cold crushing strength ('CCS') of 210 plus and porosity of 24 plus which helps to maintain grade in DRI fem – 80 plus and our product mean particle size ('MPS') is approximately 9.5 to 10, which assists in reducing oxygen in kiln and maintain consistency in grade.

Iron pellets are used as raw material for sponge iron and blast furnace. Shyam Metals and Energy Limited ("SMEL") is one of the leading players and fourth largest player in the sponge iron industry in terms of sponge iron capacity as of Fiscal 2020.



WHAT WE DO



SPONGE IRON

Sponge Iron is a spongy mass of iron which is a metallic product produced through direct reduction of iron ore / iron pellet in the solid state. It is a substitute for scrap and is mainly used in making steel through the secondary route. The process of making Sponge Iron aims to remove the oxygen from iron ore or pellets. We sell Sponge Iron, an intermediate product, primarily in the states of West Bengal, Chhattisgarh, Jharkhand, Bihar, Assam, Meghalaya, Madhya Pradesh Uttarakhand, Rajasthan, Maharashtra and Gujarat.



WHAT WE DO



BILLETS

A billet is typically cast to a rectangular or square cross section compatible with secondary processing. Billets are created directly through continuous casting or extrusion or indirectly through hot rolling an ingot or bloom.

Billets are used as raw material for the manufacture of TMT and structural products.

Apart from using items as input for our finished products, we also sell billets including customised billets, an intermediate product, primarily in the states of Chhattisgarh, Uttar Pradesh, Punjab, Rajasthan and Maharashtra.

We also export billets to Nepal and Bangladesh.

Sizes: 100 X 100, 125 X 125, 150 X 150 & 160 X 160



WHAT WE DO



TMT RE-BAR

TMT bars or Thermo-Mechanically Treated bars are high-strength reinforced bars having a tough outer core and a soft inner core.

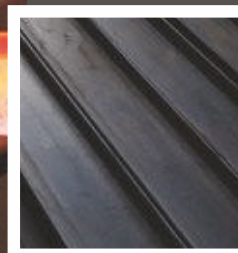
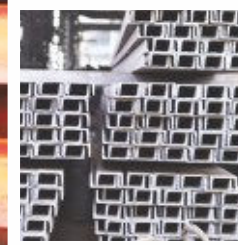
The very first step of the manufacturing process involves passing the steel wires through a rolling mill stand. Thereafter, these rolled steel wires are again passed through water cooling system. While passing the wires through the water cooling system, the water pressure is optimised.

TMT, structural products (angles, channels and beams), wire rods are used for the construction of buildings, transmission towers, industrial sheds, structures, road, dam and in other various infrastructures.

We sell TMT, structural products angles, channels and beams), wire rods and pipes, a finished product, primarily in the states of West Bengal, Odisha, Bihar, Jharkhand, Tripura, Sikkim, Assam, Arunachal Pradesh, Manipur, Meghalaya, Uttrakhand, Uttar Pradesh, Punjab and Haryana.

SELTM THERMEX





WHAT WE DO

STRUCTURAL STEEL

Structural products are hot rolled products of special form like rounds, angels, channels beams. We sell TMT, structural products angles, channels and beams), wire rods and pipes, a finished product, primarily in the states of West Bengal, Odisha, Bihar, Jharkhand, Tripura, Sikkim, Assam, Arunachal Pradesh, Manipur, Meghalaya, Uttrakhand, Uttar Pradesh, Punjab and Haryana.



WHAT WE DO

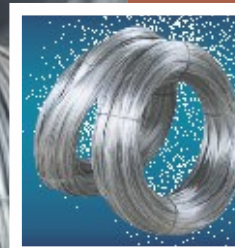
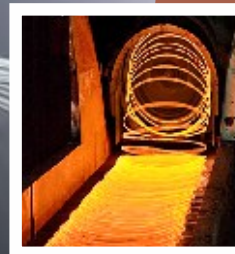


FERRO ALLOY

Ferro alloy refers to various alloys of iron with a high proportion of one or more other elements such as manganese, aluminium, or silicon. They are used in the production of steels and alloys.

The alloys impart distinctive qualities to steel and cast iron or serve important functions during production. Ferro alloys produced by us are used as raw materials for the manufacture of stainless steel products. We also sell specialised ferro alloys - low and medium carbon - for special steel applications. We sell ferro alloys of various grades, a finished product, to steel companies primarily in the states of Odisha, Jharkhand, Karnataka, Uttar Pradesh, Haryana and Rajasthan.

We also export ferro alloys to South Korea, Indonesia, Thailand, Taiwan, Japan, New Zealand, United Kingdom.



WHAT WE DO

WIRE ROD

Towards forward integration of the processes, company has set up Wire Rod manufacturing & Wire Drawing facilities (HB Wire) at Rengali, Odisha and Jamuria, West Bengal manufacturing high quality Wire Rod of sizes 5.5 mm, 6 mm, 6.5 mm, 7 mm, 8 mm, 9 mm, 10 mm and 12 mm & HB wire sizes 12 SWG, 11 SWG, 6/7/8/9/10/13/14 SWG with best available technology and plant & machinery support.

Since the raw material i.e. Power, Sponge Iron, Pellet, Ferro Alloy, Steel Billets / Blooms are manufactured in-house at our plant, the company is able to produce high quality Wire Rod & HB Wire in an efficient & cost effective manner.

STRENGTHS

POWER

The Sambalpur manufacturing plant has four captive power plants comprising one of 33 MW, two of 30 MW each and one of 25 MW, aggregating to 118 MW, as of December 31, 2020, which utilise non-fossil fuel, pollution dust, waste heat and solid wastes (dolochar) and char / flu gases from our sponge iron plants and washery rejects to generate electricity. Any shortfall in the electricity requirements of the manufacturing plant is met with power supply from WESCO. To meet our increasing power requirements consequent to our proposed capacity expansion, we are in the process of adding another 40 MW captive power plant in the same premises as our Sambalpur manufacturing plant.

Coal and electricity are principal sources of energy for steel production. Power and fuel account for a certain amount of our total expenses. In Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, the power, fuel and electricity accounted for 2.84%, 3.76%, 6.03% and 4.69%, respectively, of our total expenses. We primarily utilize coal as a fuel during the process of steel production as well as in our captive power plant, while electricity is used across all processes.

In addition, we also earn revenue through the sale of power generated from our 5.1 MW capacity wind mill, as of December 31, 2020, at Sangli, Maharashtra to Maharashtra State Electricity Distribution Company Limited.





STRENGTHS

DIVERSIFIED PRODUCT MIX

The integrated nature (backward and forward integration) of our manufacturing plants has resulted in the control over all aspects of our operations (with the exception of sourcing of primary raw materials) as well as operating margins, thereby enabling us to focus more on quality and create multiple points of sale across the steel value chain.

The backward integration activities, include, setting up of iron pellet plants and installation of rotary kilns to produce sponge iron. We utilise the sponge iron produced to further manufacture billets, which are not required to be reheated and are directly utilised by our rolling mills to produce TMT bars and wire rods, thereby resulting in cost efficiencies. Whereas, the forward integration activities, include, diversification of our product mix by utilising the billets to produce value added products, such as, TMT bars, structural products and wire rods, which enable us to de-risk our revenue streams and expand our product offerings. Our forward and backward integration activities are generally undertaken by our in-house engineering team who conceptualise and execute such activities in a timely manner with the help of various construction equipment owned by us.



STRENGTHS



LOGISTICS

SMEL is one of the few integrated metal producing companies in India with captive railway sidings as of Fiscal 2020. SMEL has captive railway siding at 2 of its integrated manufacturing units which ensures a more optimised freight cost given that nearly three times of raw material is to be transported for every tonne of steel produced. Further railway freight is more cost effective than road for long distances (e.g. for distances above 500 kms railway is 20% to 30% cheaper than road). Though, limited rail transport owing to siding congestion and non-availability of rakes and locomotives partially offset the impact.



STRENGTHS



FORGING A BOND

As of December 31, 2020, we had a workforce of 11,457 personnel comprised 5,841 permanent employees and 5,616 contract employees for our operations. The number of contract laborers varies from time to time based on the nature and extent of work contracted to independent contractors. Our permanent employees include personnel engaged in management, administration, human resource, engineering, auditing, finance, sales and marketing, procurement, logistics and legal functions. In order to improve our operational efficiencies, we regularly organize in-house and external training programs for our employees. Our employees are not unionised into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years.



CORPORATE SOCIAL RESPONSIBILITY

We believe that sustainable community development is essential for harmonious development of both the community and industry. We endeavour to make a positive contribution, particularly to underprivileged communities by supporting a range of socio-economic, educational and health initiatives, and adopting a need profile analysis and implementing sustainable social development projects.

Some of the key CSR initiatives undertaken by us are as follows:

1. Promoting preventive health care preventive health care services.
2. Natural disaster relief.
3. Rural development through camps in the vicinity of our manufacturing plants.
4. Plantation and maintenance activities.

