



IPO Note – Shyam Metals and Energy Limited

10-June-2021

Issue Snapshot:

Issue Open: June 14 – June 16, 2021

Price Band: Rs. 303 –306 (Discount of Rs 15 for eligible employees)

*Issue Size: 29,705,882 eq shares
(Fresh issue of 21,470,588 eq sh (Rs.657 cr)
+offer for Sale of 8,235,294 eqs h)

Issue Size: Rs.909.0 cr

Reservation for:

QIB	Upto	50% eq sh
Non Institutional	atleast	15% eq sh
Retail	Upto	35% eq sh

Face Value: Rs 10

Book value: Rs 140.63 (Dec 31, 2020)

Bid size: - 45 equity shares and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity: Rs. 233.61 cr

*Post issue Equity: Rs. 255.08 cr

Listing: BSE & NSE

Book Running Lead Manager: ICICI Securities Limited, Axis Capital Limited, IIFL Securities Limited, JM Financial Limited, SBI Capital Markets Limited

Registrar to issue: KFIN Technologies Private Limited

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	100.0	88.4
Public & Employee	0.0	11.6
Total	100.0	100.0

*=assuming issue subscribed at higher band
Source for this Note: RHP

Background & Operations:

Shyam Metals and Energy Limited (SMEL) is a leading integrated metal producing company based in India (Source: CRISIL Report) with a focus on long steel products and ferro alloys. It is amongst the largest producers of ferro alloys in terms of installed capacity in India, as of February 2021 (Source: CRISIL Report). The company has the ability to sell intermediate and final products across the steel value chain and currently operates three manufacturing plants that are located at Sambalpur in Odisha, and Jamuria and Mangalpur in West Bengal. Its manufacturing plants also include captive power plants with an aggregate installed capacity of 227 MW, as of December 31, 2020. It is also in the process of increasing the capacities of its existing manufacturing plants and captive power plants, which is expected to increase its aggregate installed metal capacity (comprising of intermediate and final products) from 5.71 MTPA, as of December 31, 2020, to 11.60 MTPA and captive power plants aggregate installed capacity from 227 MW, as of December 31, 2020, to 357 MW. These proposed expansions are expected to become operational between Fiscal 2022 and Fiscal 2025. In addition, it is in the process of commissioning an aluminium foil rolling mill at Pakuria in West Bengal with a proposed installed capacity of 0.04 MTPA, which is expected to become operational in Fiscal 2022.

SMEL's Sambalpur and Jamuria plants operate as 'ore to metal' integrated steel manufacturing plants and comprise captive railway sidings, captive power plants, iron pellet, sponge iron, billet, thermo mechanically treated ("TMT"), wire rod and structural mills, and ferro alloy plants. Further, its Mangalpur plant comprises sponge iron and ferro alloy plants, and a captive power plant. It has eight captive power plants that utilise non-fossil fuels, such as, waste, rejects, heat and gas, generated from its operations to produce electricity and thereby enable to operate at lower power costs. The proposed expansion plans of its captive power plants will help to meet its increased requirement of power and enable to become more self-sufficient.

SMEL's primarily produce intermediate and long steel products, such as, iron pellets, sponge iron, steel billets, TMT, structural products, wire rods, and ferro alloys products with a specific focus on high margin products, such as, customised billets and specialised ferroalloys for special steel applications. It also undertake conversion of hot rolled coils to pipes, chrome ore to ferro chrome and manganese ore to silico manganese for an Indian steel conglomerate. It is also currently in the process of further diversifying its product portfolio by entering into the segments, such as, pig iron, ductile iron pipes and aluminium foil. The Company's product offerings cater to a mix of customers that consist of institutional customers and end-use consumers through its distribution network. Its domestic customers include Jindal Stainless Limited, Jindal Stainless (Hisar) Limited, and Rimjhim Ispat Limited. Its international customers include Norecom DMCC, Norecom Limited, POSCO International Corporation, World Metals & Alloys (FZC), Traxys North America LLC, JM Global Resources Limited, Goenka Steels Private Limited and Vijayshri Steel Private Limited. As of December 31, 2020, it had partnerships with 42 distributors, who stock and sell its finished products across 13 states and one union territory. It also sell its intermediate products through brokers.

SMEL have a relatively better financial strength as compared to other companies operating in the long and intermediary steel sector. It had reported healthy operational as well as financial growth despite downturns in the industry. The Company is also the least leveraged group among its peers. Its revenue from operations increased at a CAGR of 6.56% from Rs. 38,425.66 million in Fiscal 2018 to Rs. 43,628.86 million in Fiscal 2020 and was Rs. 39,330.84 million in the nine months ended December 31, 2020. As of March 31, 2018, 2019 and 2020 and as of December 31, 2020, its Gross Debt to Equity ratio was 0.30, 0.29, 0.47 and 0.27, respectively. RoCE for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2020 was 19.58%, 24.69%, 9.49% and 13.30%, respectively.

Objects of Issue:

The Offer comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

Other than listing fees, fees for any statutory audit (excluding fees for restatement of financial statements) and corporate and marketing expenses incurred in the ordinary course of business and consistent with past practice which will be paid by the Company and fees for the counsel to the Selling Shareholders, which shall be solely borne by the Selling Shareholders, all costs, fees and expenses (including all applicable taxes) with respect to the Offer shall be shared among the Company and the Selling Shareholders in proportion to the Equity Shares contributed by them in the Offer. SMEL will not receive any proceeds from the Offer for Sale.

Fresh Issue

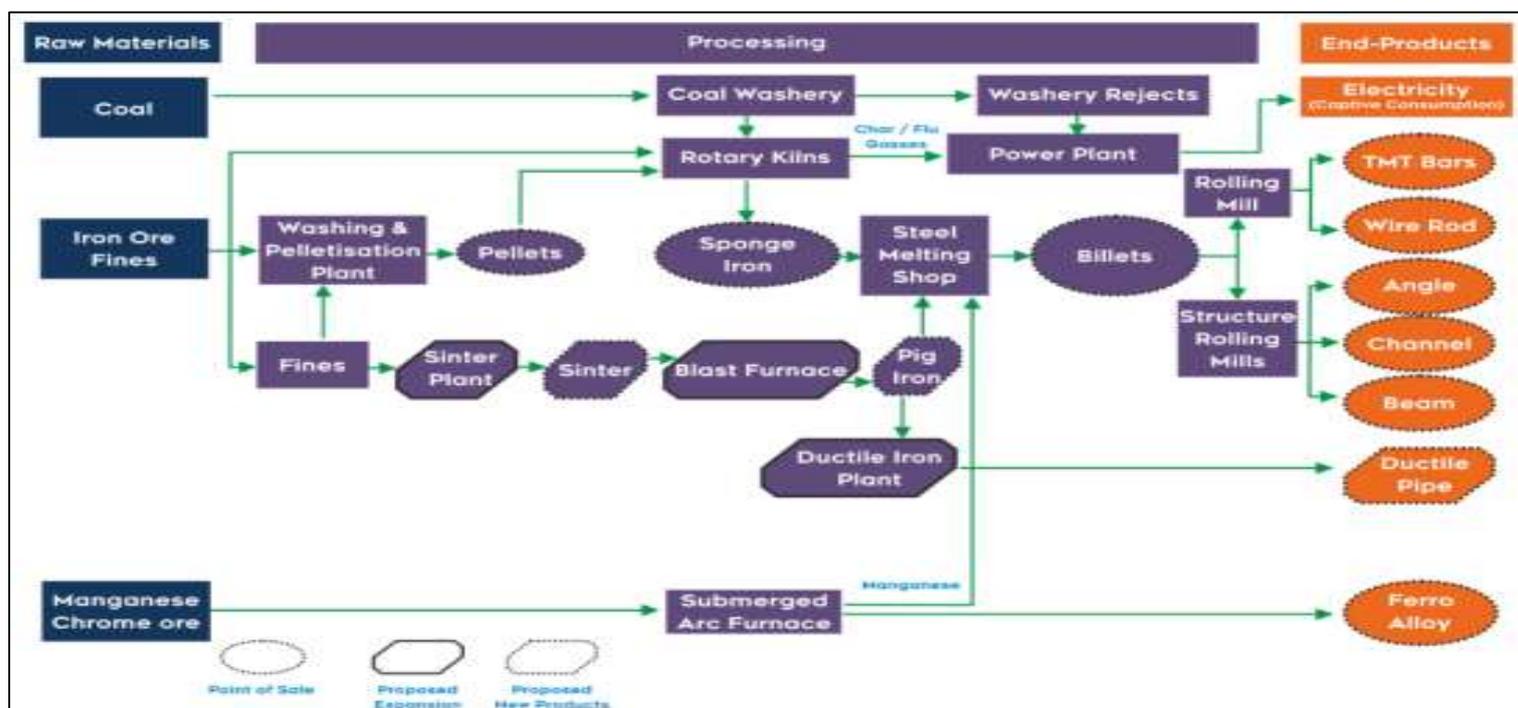
SMEL proposes to utilize the funds which are being raised through the Fresh Issue, after deducting the Offer related expenses to the extent payable by the Company with respect to the Fresh Issue (the "Net Proceeds"), towards funding the following objects :

- Repayment and/or pre-payment, in full or part, of debt of Company and SSPL, one of SMEL's Subsidiaries (Rs.470 cr); and
- General corporate purposes

In addition to the aforementioned objects, the Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of its brand name and creation of a public market for its Equity Shares in India.

Competitive Strengths

Integrated operations across the steel value chain: SMEL is a leading integrated metal producing company based in India and 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. Currently it operates 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 its manufacturing plants has resulted in the control over all aspects of its operations (with the exception of sourcing of primary raw materials) as well as operating margins, thereby enabling the company 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. Whereas, the forward integration activities, include, diversification of its product mix by utilising the billets to produce value added products, such as, TMT bars, structural products and wire rods, which enable it to de-risk its revenue streams and expand product offerings. SMEL's forward and backward integration activities are generally undertaken by its in-house engineering team who conceptualise and execute such activities in a timely manner with the help of various construction equipment owned by it. The integrated nature of its operations enables to maintain greater control over its operating margins. The following flowchart highlights the integrated nature of its operations:



SMEL has undertaken various measures to expand and integrate its steel manufacturing plants. Integration of its operations has provided with the flexibility to alter product mix to cater to the continuously evolving market conditions, insulated it from price volatility and optimised operating margins.

Strategically located manufacturing plants supported by robust infrastructure resulting in cost and time efficiencies: SMEL's manufacturing plants are strategically located in close proximity to its raw material sources, which lowers its transportation costs and provides significant logistics management and cost benefits thereby improving operating margins. Its manufacturing plants are located within 250 kilometres of the mineral belt in eastern India, including, iron ore, iron ore fines, manganese ore, chrome ore and coal mines, its primary raw materials. The strategic location of its manufacturing plants has helped in creating synergies as well as achieving economies of scale and operational efficiencies. Further, it is well connected by roads, railways and ports and are located close to its raw material sources and are supported by strong logistics infrastructure, such as private railway siding, which enables to reduce the logistical costs associated with the transportation of raw materials and products.. The strategic location has enabled SMEL to export its products to its international customers in a cost efficient manner and also achieved cost efficiencies by utilising waste materials or by-products as raw material inputs for other products and processes.

Aggregate Installed Capacity and Capacity Utilization

Product	Unit	As of and for the financial year ended March 31,						As of and for the nine months ended December 31, 2020	
		2018		2019		2020		Installed Capacity (TPA / MW) ⁽¹⁾	Utilisation (%) ⁽²⁾
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Iron pellet	TPA	900,000	104.24%	900,000	110.27%	2,400,000	103.23%	2,400,000	99.34%
Sponge iron ^{(3)(a)}	TPA	1,012,800	99.78%	1,012,800	102.45%	1,274,400	98.87%	1,389,900	86.90%
Billet ^{(3)(b)}	TPA	539,520	80.52%	628,320	97.17%	797,280	97.06%	892,320	100.28%
TMT, structural products, wire rods and pipes	TPA	253,008	73.55%	253,008	80.18%	820,000	79.68%	820,000	70.52%
Ferro alloy products ^{(3)(c)}	TPA	192,320	89.19%	205,920	91.92%	205,920	85.43%	205,920	67.80%
Captive power plant	MW	164	82.46%	164	85.56%	227	92.57%	227	84.58%

⁽¹⁾As certified by Kalyan Bhattacharya, Chartered Engineer, by certificate dated February 15, 2021.

Notes:

(1) The information relating to the existing installed capacity of our manufacturing plants as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing plants.

(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing plant as of at the end of the relevant period. In the case of capacity utilization for the period ending December 31, 2020, the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.

(3) The assumptions and estimates taken specifically into account include the following:

(a) sponge iron (direct reduced iron): capacity of each kiln in TPD X 330 days per year;

(b) billet: capacity of each furnace in TPH X (24 hours per day/ heat cycle) X 330 days per year; 1 heat cycle = 3 hours;

(c) ferro alloy products: furnace with 1 MVA capacity is equivalent to 1,555.56 TPA. The installed capacity of ferro alloy products may vary depending on the type of ferro alloy produced.

Diversified product mix with strong focus on value added products, such as, ferro alloys, association with reputed customers and robust distribution network: SMEL's products primarily comprise of (i) long steel products, which range from intermediate products, such as, iron pellets, sponge iron and billets and final products, such as, TMT, customised billets, structural products and wire rods; and (ii) ferro alloys with a specific focus on high margin products, such as, specialised ferro alloys for special steel applications. It also undertakes conversion of hot rolled coils to pipes, chrome ore to ferro chrome and manganese ore to silico manganese for an Indian steel conglomerate. The forward and backward integration of its manufacturing plants has resulted in multiple points of sale across the steel value chain and provided the company with flexibility to sell intermediate products as well as use them for captive consumption, depending on the demand. This has resulted in a diversified product mix, which has reduced dependency on a particular product and de-risked revenue streams. SMEL sells its products to institutional customers and end consumers through its distribution network. It also customise and sell its products as per the customer's specifications. Its domestic customers include Jindal Stainless Limited, Jindal Stainless (Hisar) Limited, and Rimjhim Ispat Limited. Its international customers include Norecom DMCC, Norecom Limited, POSCO International Corporation, World Metals & Alloys (FZC), Traxys North America LLC, JM Global Resources Limited, Goenka Steels Private Limited and Vijayshri Steel Private Limited. As of December 31, 2020, it had partnerships with 42 distributors, who stock and sell its finished products across 13 states and one union territory. In addition, it sells its intermediate products through brokers.

Strong financial performance and credit ratings: SMEL's focus on continuous efficiency improvements, improved productivity and cost rationalization has enabled to deliver consistent and strong financial and operational performance. It has a relatively better financial strength as compared to other companies operating in the long and intermediary steel sector. Revenue from operations increased at a CAGR of 6.56% from Rs. 38,425.66 million in Fiscal 2018 to Rs. 43,628.86 million in Fiscal 2020 and was Rs. 39,330.84 million in the nine months ended December 31, 2020. Its EBITDA amounted to Rs. 6,340.53 million and Rs. 7,173.17 million in Fiscal 2020 and the nine months ended December 31, 2020, respectively. Further, since the commencement of its operations in Fiscal 2005, it has delivered a positive EBITDA in each of the Fiscals. RoCE for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2020 was 19.58%, 24.69%, 9.49% and 13.30%, respectively. SMEL has also obtained strong credit ratings. In particular, the Company and its

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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.

Experienced Promoters, Board and senior management team: SMEL is led by its individual Promoters, Mahabir Prasad Agarwal, Brij Bhushan Agarwal and Sanjay Kumar Agarwal, who has several decades, respectively, of experience in the steel and ferro alloys industry, and has been instrumental in the growth of the Company. It also has an experienced Board of Directors who have extensive knowledge and understanding of the metal industry and have the expertise and vision to scale up its business. The Company's 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 the Company since its commencement of operations. Its manufacturing plants operate in areas with highly skilled and low cost labour, which helps to keep its operating costs low.

Business Strategy:

Continue to increase manufacturing capacities: SMEL intends to strengthen its leading market position in India and achieve better economies of scale by expanding its existing manufacturing capacities and setting up additional manufacturing plants. It has over the years, consistently grown its manufacturing capabilities. Recently SMEL has undertaken various expansions of its manufacturing plants. Consistent with past practice, it will look to add capacity in a phased manner to ensure that it utilize its capacity at optimal levels. It is in the process of increasing the capacities of its existing manufacturing plants and captive power plants. As a result of its proposed capacity expansion plans, its aggregate installed metal capacity (comprising of intermediate and final products) and captive power plants installed capacity are proposed to be increased from 5.71 MTPA, as of December 31, 2020, to 11.60 MTPA, and 227 MW, as of December 31, 2020, to 357 MW, respectively. These proposed expansions are expected to become operational between Fiscal 2022 and Fiscal 2025. The expansion of its capacities will result in further integration of its Sambalpur and Jamuria manufacturing plants, augmentation of its revenues, better cost controls and consequent increase in profitability and presence across the steel value chain. In addition, its expansion plans and strategy will allow to meet the anticipated increase in steel demand in the future and enable to supply growing markets more efficiently and drive profitability.

Introduce new products by leveraging forward integration capabilities: The forward and backward integration of Sambalpur and Jamuria manufacturing plants has created cost synergies resulting in cost efficiencies and increase in profitability. It intends to further integrate its operations by using the existing waste and by-products from its operations to introduce new and high margin products. Currently the Company is in the process of further diversifying its product portfolio by entering into the segments, such as, pig iron, ductile iron pipes and aluminium foil. In particular, it intends to use the pig iron from its operations to produce ductile iron pipes. In order to market its new products, it intends to leverage its existing distribution network. It is also in the process of (i) setting up a new 200,000 TPA ductile iron pipe plant at its Jamuria manufacturing plant; and (ii) commissioning an aluminium foil rolling mill at Pakuria in West Bengal by installing two mills with an installed capacity of 20,000 TPA each. It is expected that this aluminium foil rolling mill to become operational in Fiscal 2022.

Continue to maintain low leverage with healthy capitalisation metrics: SMEL is the least leveraged group among its peers. As of March 31, 2020, its gearing ratio was one of the lowest amongst its competitors. As of March 31, 2018, 2019 and 2020 and as of December 31, 2020, Gross Debt to Equity ratio was 0.30, 0.29, 0.47 and 0.27, respectively. Its Gross Debt to EBITDA ratio for Fiscals 2018, 2019 and 2020, and for the nine months ended December 31, 2020, was 0.79, 0.75, 2.10 and 1.24, respectively. SMEL intends to use the Net Proceeds from the Offer to prepay its and its Subsidiary, Shyam SEL and Power Limited's debt. Prepayment of debt will result in savings on finance cost, freeing up of working capital, reduce debt to equity ratio for future leverage as well as increase its profits.

Continue to focus on cost efficiency and increase profitability and market share: SMEL intends to focus on keeping its operating costs low, which is critical for remaining profitable, by implementing measures to reduce its operating costs and improving operational efficiencies. It intends to continuously invest in new infrastructure at its manufacturing plants and are exploring opportunities to obtain synergies in its existing manufacturing plants. In order to increase market share, SMEL also aims to selectively acquire established businesses whose operations, resources and capabilities are complementary and/or supplementary to it. In particular, with the introduction of the Insolvency and Bankruptcy Code, 2016, the Company intends to explore the possibility of growing inorganically by acquiring stressed steel and ferro alloys plants in order to increase its revenues and profitability. Its proposed acquisitions will revolve around increasing its market share, achieving operating leverage in key markets, increasing sales and distribution network and strengthen cost competitiveness in the market.

Focus on exports: Exports typically result in higher margins and timely realisation of revenue streams. The National Steel Policy ("NSP"), approved by the Government of India in 2017, serves as a long-term policy goal aimed at creating incremental demand and augmenting steel exports. Further, NSP aims to export approximately 24 MT of steel by 2030. In Fiscal 2019, a sharp increase in chrome alloy demand from South Korea, China and Japan supported an increase in exports from India. In addition, India's exports in manganese alloy are expected to increase by 5% to 7% in Fiscal 2021 on account of weak domestic demand and increase demand from Japan, Taiwan and South Korea as they start increasing their crude steel production. SMEL intends to capitalize on such industry opportunities and increase its exports by leveraging the close proximity of its manufacturing plants to various ports and export products, such as, ferro alloys and specialised billets to international markets. Currently it exports its products to Nepal, China, Bangladesh, Bhutan, United Kingdom, South

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Korea, Thailand, Indonesia, Taiwan and Japan, and are currently exploring newer geographies in North America, South America, Europe and Africa in order to increase its exports.

Industry

Indian Steel Industry Overview

Types/definition of steel:

By Products

Long products: Finished long steel products are normally produced by hot rolling/forging of bloom/ billets/ pencil ingots into useable shape/sizes. These are normally supplied in straight length/cut length except wire rods, which are supplied in irregularly wound coils. The different types of long products include bar and rods, CTD/TMT, wire rod, angles, shapes and sections.

Flat products: Flat products are produced from slabs/thin slabs in rolling mills using flat rolls. Flat products comprise hot rolled (“HR”), cold rolled (“CR”) strips and coated products. Hot rolled flat products are produced by re-rolling of slabs/thin slabs at high temperatures (above 1,000 degree C) in plate mills or in hot strip mills. CR strips are produced by cold rolling of HR strips in cold rolling mills (normally at room temperature). CR strips/sheets are characterised by lower thickness, better/bright finish, closer dimensional tolerance and specific mechanical/metallurgical properties.

By composition

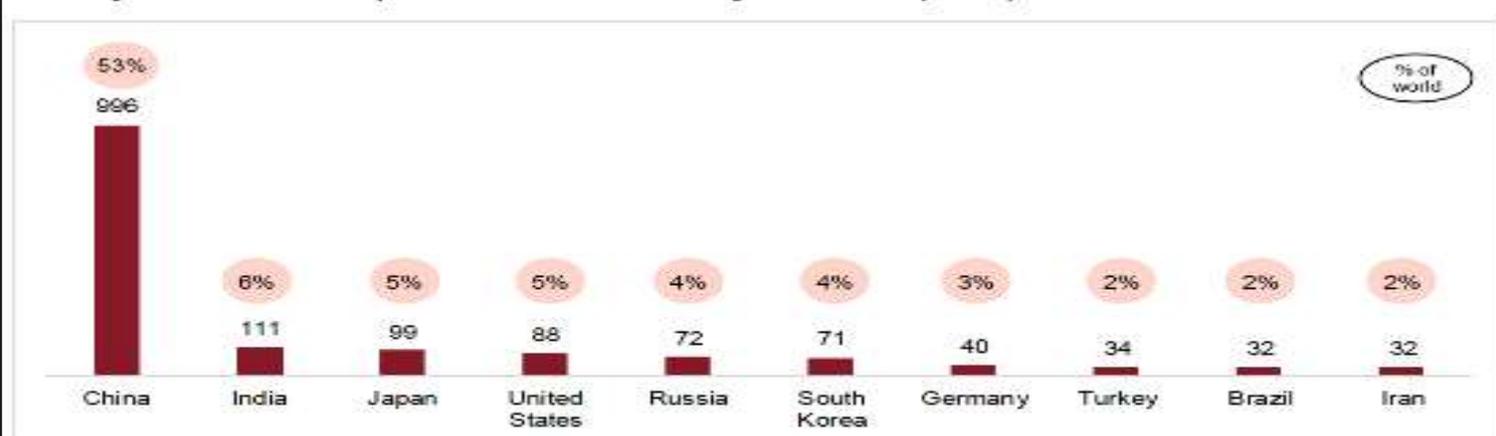
Alloy steel: Steel that is produced with one or more elements in a specified proportion to impart specific physical, mechanical, metallurgical and electrical properties is known as alloy steel. Alloy steel comes in different grades, which have varying proportions of carbon and other elements. Common elements used to make alloys include manganese, silicon, nickel, lead, copper, chromium, tungsten, molybdenum, niobium and vanadium. Key uses of alloy steel include magnets, heavy duty railway crossings, high speed drill tips, surgical instruments, high speed tool steel, cutting and drilling tools.

Non-alloy steel: Non-alloy or carbon steel is composed of iron and carbon and is the most commonly produced variant of steel (approximately 90% of global steel output). The main components are carbon, manganese and silicon in varied proportions up to 1.7%, 0.9% and 0.3% respectively. A change in the composition of carbon affects the properties of carbon steel. Mild steel is the most widely-used variety of steel. These steels, by definition, do not contain any alloying element in specified proportions. Key uses of non-alloy steel include car bodies, Rails and Rail products (such as coupling, crank shafts and axles), cutting tools, pistons and cylinders.

Indian Steel demand in global context

India is the second largest producer of steel in the world with nearly 6% share of global steel production

Country-wise crude steel production in 2019 for major countries (In MT)



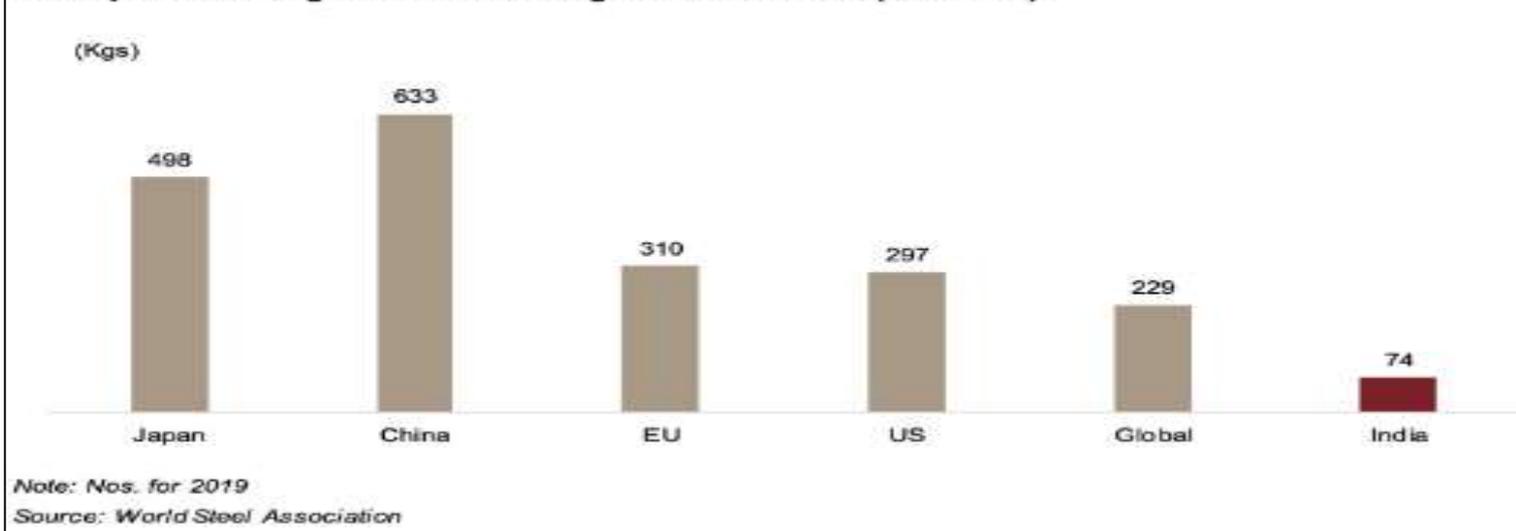
Note: Data for 2019

Source: World Steel Association

Note: Please note that MT refers to Million Tonnes in the document, unless stated otherwise

Over the last decade, India steel demand growth has outpaced world's average except for a brief period from 2010 to 2013 that was impacted by slowdown in key end-use segments in the domestic market. However, post 2013, domestic demand has invariably exceeded global demand which was marred by slowdown in China (which accounts for half of global steel demand). In contrast India's steel demand growth has remained modest driven by soft growth in auto and building and construction (“B&C”) segments. As per World Steel Association, global steel demand is expected to contract by 2.4% in 2020 and drop to global steel 1.725 billion tonnes due to the Covid-19 crisis. However, demand is expected to recover to 1.795 billion tonnes and grow 4.1% in 2021. As per CRISIL Research, post 2019, global steel demand is expected to grow approximately 0.2% CAGR through 2024.

Per capita Steel usage in India vis-à-vis global benchmarks (estimated):



Indian Steel sector growth

Post moderate growth cycles since 2012, India's steel demand exhibited swift comeback with vigorous growth of 8% to 9% on-year in Fiscal 2018. However, demand momentum slowed down to 1.4% in Fiscal 2020 with the COVID-19 pandemic set to dampen demand prospects from automobile, construction and capital goods segment. Going ahead, CRISIL forecasts steel demand to continue its strong stride at 5% to 6% CAGR through Fiscal 2025 supported by: Soft revival in housing sector in the medium term led by affordable housing, rural housing and commercialization of tier III/IV cities. On the other hand, growth in industrial segment is expected to remain muted; Infrastructure projects in metro, road, and urban infra space (which are more steel intensive); and Automotive industry has begun to recover post a drop in growth of 12% to 14% in Fiscal 2021 due to COVID-19 outbreak. The sector, however, recently witnessed uptick in demand post August 2020 and has given green shoots to the sector.

Government regulations to promote Indian Steel Industry

Import duty: India steel imports surged sharply from 5.5 MTPA in Fiscal 2014 to 11.7 MTPA in Fiscal 2016 which led to the government imposing several safeguard measures. With installed capacities outpacing demand growth in the domestic market (capacity addition of approximately 25 MT against incremental demand of approximately 8 MT during Fiscal 2013 to Fiscal 2016 period), along with looming threat of imports, the government had to intervene in order to safeguard domestic suppliers' interest.



The aforementioned measures were able to curtail imports which declined from 11.7 MTPA in Fiscal 2017 to around 7 to 7.5 MTPA in recent two years. However, in recent times, imposition of anti-dumping duty is no longer relevant given the fact that global as well as domestic HRC prices are lingering way above the anti-dumping duty.

Export tax on iron ore: The government has also imposed export duty on key raw materials in order to ensure supply of raw material for the industry at competitive prices.

Government policy:

National Steel Policy (“NSP”), approved in May 2017, by Union Cabinet, seeks to enhance domestic steel consumption, ensure high quality steel production, and create a technologically advanced and globally competitive steel industry.

Vision on demand, supply and trade in the NSP

Increase consumption of steel across major segments of infrastructure, automobiles, and housing, resulting in a potential rise in per capita steel consumption to 158 kg by 2030 from approximately 61 kg in Fiscal 2016.

Achieve 300 MTPA of steel-making capacity by 2030 through additional investments of Rs. 10 lakh crore by 2030 to 2031. Domestically produce steel for high-end applications - electrical steel (‘CRGO’), special steel and alloys for power equipment, aerospace, defence, and nuclear applications.

Reduce reliance on imports to nil and export approximately 24 MTPA of steel by 2030.

Vision on raw materials access and development of cost effective advanced technology

- Ensure availability of raw materials such as iron ore, coking coal and non-coking coal, natural gas, at competitive rates through policy measures and asset acquisitions.
- Raise availability of washed coking coal to reduce import dependence on it to 65% by 2030 to 2031 (from 85% at present).
- Focus on pelletisation, through investment in slurry pipelines and conveyors.
- Emphasis on increasing share of blast furnace (“BF”) route to 60% to 65% by 2030 of the crude steel capacity and production with remaining 35% to 40% by electric arc furnace and induction furnace route in 2030 to 2031.
- Adoption of energy efficient technologies in the micro, small and medium enterprise steel sector, to improve overall productivity and reduce energy intensity.

National Steel Policy serves as a long-term policy goal aimed at creating incremental demand and augment steel exports. On the supply side, it aims to set up additional capacity, increase production and self-sufficiency (by minimising imports) and remove procedural and policy bottlenecks in the availability of raw material. The policy aims at increasing export penetration and annulling imports. Focus is laid on cost efficient production through BF-BOF route.

NSP 2017 was preceded by National Steel Policy 2005 whereby the targets set for Fiscal 2020 were well exceeded by the Indian steel industry. However, the decrease of growth in demand in Fiscal 2021 on the back of the COVID-19 pandemic is expected to serve as a major roadblock for achieving the targets set for Fiscal 2031 under NSP 2017. The key assumptions underlying the growth assumption pertaining to an on year GDP growth of 7.5% would need a reassessment in the near future to revise the planned targets.

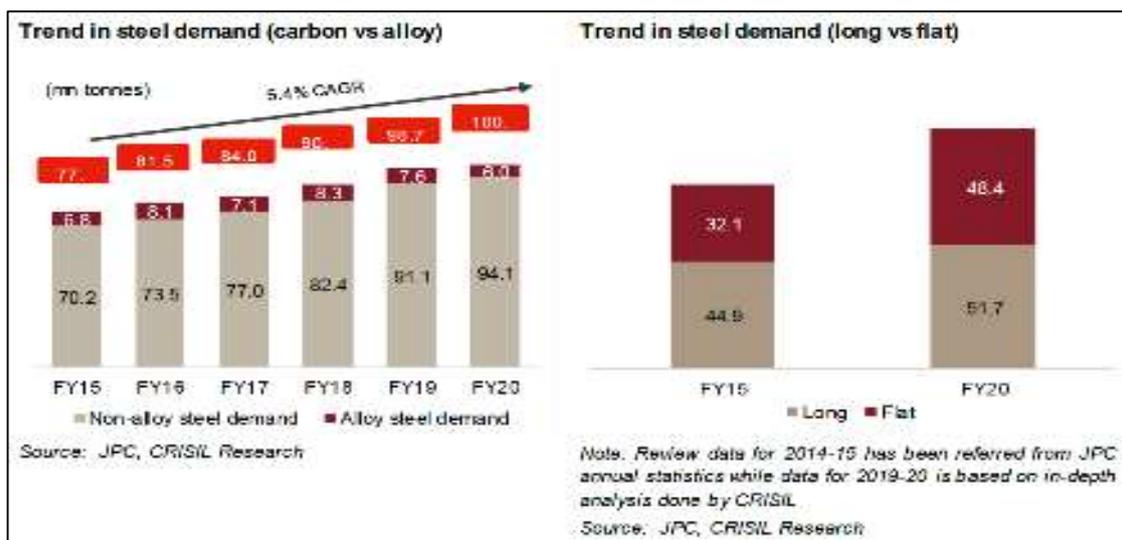
Parameter	National Steel Policy 2005		Estimates FY 25	National Steel Policy 2017
	FY20 (Target)	FY20 Actuals	CRISIL Research Estimates	FY31 (Target)
	Crude steel capacity	110	142	163
Crude Steel production	110	109.2	132	255
Finished Steel demand	90	100.1	130	230
Finished Steel import	6	6.8	4.5	0
Finished Steel export	26	8.4	7.5	24

Source: CRISIL Research, NSP 2005, 2017

Steel Market Value Chain Assessment

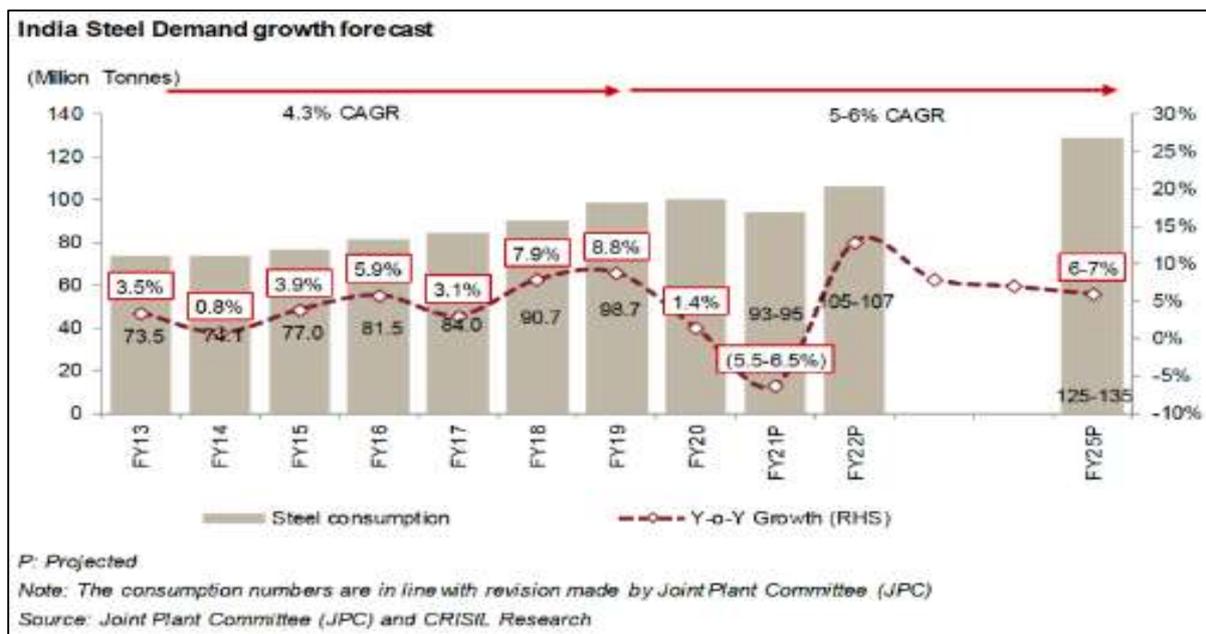
Demand review and outlook: Steel products

India steel demand has risen at a modest 5.4% CAGR during past five years (Fiscal 2015 to Fiscal 2020). Alloy steel has witnessed a decline in demand on account of automobile production Fiscal 2019 onwards. As a result, the share of alloy in overall steel demand has fallen from 8.8% in 2014 to 2015 to 6.0% in 2019 to 2020. On the other hand, non-alloy steel has been growing at a CAGR of 6.0%.



Further, long steel demand has grown at 3% CAGR over past five years (Fiscal 2015 to Fiscal 2020) period primarily led by healthy growth in infra and modest growth in housing segment. Flat steel on the other hand rose at around 8.6% CAGR during the same period. This has led to share of long steel in overall finished steel demand to fall from 58% in Fiscal 2015 to 52% in Fiscal 2020. Post moderate growth cycles since 2012, India's steel demand exhibited swift comeback with vigorous growth of 8% to 9% in Fiscals 2018 and 2019. Pent-up demand from low base of last year (demonetization), pick up in infra projects, robust growth in Auto (14% increase in automobile production) provided thrust to the sector's growth. However, steel sector witnessed a slump in demand to 1.4% in 2020 due to COVID-19 outbreak.

Going ahead, steel demand is expected to recover and continue its strong growth at 5.0% to 6.0% through Fiscal 2025 supported by the government led initiatives especially affordable housing and infrastructure projects in metro, road, and urban infra space (which are more steel intensive). However, steel demand is expected to decline further by 5.5% to 6.5% in Fiscal 2021 before recovering in Fiscal 2022.



Key growth drivers of steel demand:

Building and Constructions:

Steel demand from building and construction ("B&C") accounts for approximately 35% to 40% of aggregate finished steel demand. While in near term B&C demand is expected to be weak with affordable housing being the only saviour, however, in medium term housing market

shall witness some soft revival led by rural housing, affordable housing, and commercialization of Tier III/IV cities. On the other hand, realty markets are expected to be continue to stay weak amidst the COVID-19 outbreak. Growth in the industrial segment is also expected to remain muted. Overall, steel demand from building and construction segment is expected to grow at a CAGR of 4% to 5% during Fiscal 2020 to Fiscal 2025 period, driven by government's focus on affordable housing, robust rural housing demand, commercialization of tier III and IV cities along with rising steel intensity.

Infrastructure:

Infrastructure segment is currently the second largest segment in terms of steel consumption comprising of 25% to 30% share in overall steel demand end use mix. Demand from the sector is expected to be healthy with increasing activities and swift pace of execution in steel intensive segments such as railways and particularly metros. Further, in the Fiscal 2022 budget the government has laid special focus on infrastructure development that can be seen in the following announcements made:

- Rs. 64,180 crore investment in developing 17,000 rural and 11,000 urban wellness centers. Additionally plans to set up integrated public health labs in each district in next 6 years.
- Rs. 1.41 lakh crore spend over next five years towards urban clean India.
- Out of the planned investment of Rs. 1.51 lakh crore in Railways, Rs. 1.07 lakh crore is towards construction capital expenditure.
- 100 more districts to be added for next 3 years for City Gas Distribution.
- Increase in provision for Rural infrastructure by Rs. 10,000 crore.
- Investment of Rs. 4,000 crore for Deep Ocean Mission.

Automotive:

Steel demand Automotive accounts for 8% to 10% of aggregate finished steel demand. The automobile industry has begun to recover post the de-growth caused by COVID-18 outbreak. The sector is expected to eventually recover by Fiscal 2022 with cars and utility vehicles expected to grow at 17%, commercial vehicles at 29% and two-wheelers at 10% post witnessing a drop in growth in Fiscal 2021.

Key Signposts/ Projects:

Pick up in execution of railways, metros, roads and highways projects to boost infrastructure demand in near term as well as long term. Dedicated freight corridor ("DFC") in railways; Bharatmala, metros, water supply and sanitation project in urban infrastructure to be key thrust area.

Key government projects driving steel demand

Housing for all:

Increased government focus is expected to drive housing demand over the next few years, with the Ministry of Housing and Urban Poverty Alleviation planning to provide assistance in the range of Rs. 1.0 to Rs. 2.3 lakh per housing unit under its "Housing for All", PMAY mission. It is a programme by the government to provide housing to all households by 2022. The programme aims to construct approximately 29.5 million and 20 million households in rural and urban areas respectively.

Capital Goods:

Approved in May 2016, National Capital Goods Policy was launched with an objective of increasing production of capital goods from Rs. 2,300 billion in 2014 to 2015 to Rs. 7,500 billion in 2025 and raising direct and indirect employment from the current 8.4 million to 30 million. The policy also aims to facilitate improvement in technology depth across sub-sectors, increase skill availability, ensure mandatory standards and promote growth and capacity building of MSMEs.

Bharatmala Pariyojana:

Bharatmala is a new umbrella program for the highways sector that focuses on optimizing efficiency of road traffic movement across India by bridging critical infrastructure gaps. The project will provide NH linkage to 550 districts in India and is expected to be a major driver for economic growth going forward.

Railways and Metros:

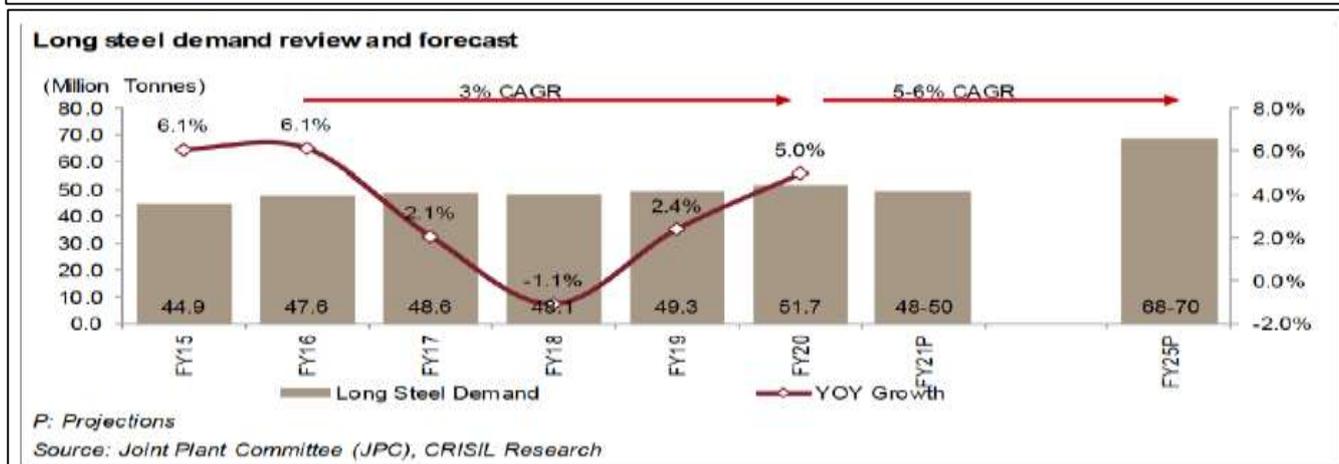
Railways: The government is currently focused on building 3,360 km dedicated freight corridors by June 2022 along with redeveloping 90 railway stations into world-class transit hubs and 100% electrification of broad gauge routes by 2021 to 2022. The Indian Railways is also creating private investments worth \$4 billion through public-private partnerships. CRISIL Research expects construction expenditure in railway projects to increase 1.4 times (4% to 6% CAGR) between Fiscals 2021 and 2025 compared with the previous five years.

Metros: As per CRISIL Research, construction spends on metros in India is expected to increase approximately 1.3 times to approximately Rs. 1 lakh crore, making it the second-largest contributor to urban infrastructure investments. Bulk of the metro projects are under construction and have achieved financial closure with the lockdown and migration of labour the only impediments in Fiscal 2021 driving investments lower and a deferral of investments to drive revival in Fiscal 2022. Medium term growth in the sector would be led by the development of number of projects announced and under implementation by various state governments.

Demand review and outlook: Long Steel

Various types of long steel products:

Applications	Description
Bar & rods	Bars and rods are normally obtained by hot rolling/forging of billets/ blooms. These include rounds, flats (flat bars), squares, hexagons, octagons, which find direct use in a wide variety of products in engineering and agricultural, household, furniture sectors, etc with/without further processing.
CTD/TMT	CTD (cold-worked twisted and deformed)/ TMT (thermo mechanically treated) bar and rods are hot rolled round bars/rods with indentations (marks)/ribs normally supplied in straight length or in folded bundles. Used in civil construction.
Wire rod	Hot rolled plain bar/rods (i.e without indentation) in coil form normally used to produce steel wires and, and, at times, steel bars.
Angles, shapes and section	Hot rolled structural sections obtained by hot rolling of blooms/billets. These include angles, channels, girders, joist, I beams, H beams, etc used in civil/mechanical construction.
Rails	Hot rolled rail sections obtained upon hot rolling of blooms/billets. Used in railways/tramways on which trains/trams travel.
Wires	Wires are produced by cold drawing of wire rod through a die. These are normally supplied in coils.
Bright bars	There are cold drawn/ ground/ peeled plain bars produced from hot rolled plain bars/wire rods.



Demand review and outlook: Sponge Iron

Sponge iron, also termed direct-reduced iron, is produced by reducing (removing oxygen) from iron ore to increase free iron content. This also makes the ore porous. Sponge iron is popularly used as a feed in electric/induction furnaces and as a substitute for steel scrap, because high-quality scrap is costly and scarcely available. It is also used as a coolant by integrated steel plants, again as a substitute to melting scrap (Sponge iron is added as a solid only to hot metal. It then melts inside and stabilises the temperature. Sponge iron melts faster than iron ore or scrap). India is the second largest sponge iron producer, having an annual production of 37 million tonnes, increasing consistently since Fiscal 2017. Of the total production in Fiscal 2019, coal-based accounted for nearly 79% and gas-based accounted for 21%.

Demand review and outlook: Billets

Billets consumption has largely moved in conjunction with long steel production at around 2.5% to 3% CAGR during past five year period from 2014 to 2015 to 2019 to 2020. Healthy infrastructure demand coupled with modest growth in housing segment drove long steel demand and thereby billets consumption

Demand review and outlook: Pellets

Pellets are normally produced in the form of Globules from very fine iron ore (normally -100 mesh) and mostly used for production of sponge iron in gas based plants, though they are also used in blast furnaces in some countries in place of sized iron ore. Pellet production has risen at a robust pace led by healthy domestic demand along with exceptional stride in export volumes. Share of exports in overall production has increased from 1.5% in Fiscal 2016 to around 18% in Fiscal 2020. Domestic sales of pellets is estimated to have grown at 9%

CAGR against 13% CAGR growth in exports from Fiscal 2017 to Fiscal 2020. Subdued domestic demand owing to pandemic related lockdown in the H1 Fiscal 2021 resulted in exports reaching approximately 10 million tonnes till December in Fiscal 2020.

Supply Review And Outlook

Industry structure for Steel:

The top six players (SAIL, TSL, JSW, RINL, JSPL, Tata Steel BSL) constitute around half of India's crude steel capacity, with the balance being constituted by other small to medium scale producers. Blast Oxygen Furnace (BOF) technology accounted for 40% share in terms of installed capacity and 44% share in terms of production in Fiscal 2020.

Going forward, CRISIL expects about 20 to 22 million tonnes of crude steel capacity primarily through brownfield route. Among large players, planned expansions include Tata Steel's Kalinganagar expansion by 5 MTPA as well as JSW Steel's Dolvi plant expansion of 5.7 MTPA along with Vijayanagar plant expansion of 6 MTPA capacity by Fiscal 2025. The NMDC greenfield project at Nagarnar, Chhattisgarh has been facing delays on account of issue like pending statutory clearances, controversy on right use of water pipeline, skilled manpower availability and delay in a package due to non-completion of other linked activities. It is expected to come on-stream by in 2023.

Competition in flat steel market:

India's flat steel market is fairly organized with top 5 players constituting more than 90% of the flat steel capacity and the rest being distributed between smaller players and re-rollers. Recent consolidation in the flat steel capacities have increased the overall share from 85% five years ago to more than 90% in Fiscal 2020.

Competition in long steel market:

Unlike flat steel, long steel market is fairly fragmented with top 5 large players constituting around 35% of the market and rest being distributed amongst more than 850 IF and EAF units. Further India also houses 1020 rolling units as of Fiscal 2020 who are primarily dependent on billet provider. Of these only 116 re-rolling units with nearly 18 mnT capacity (approximately 23% of overall re-rolling capacity) are situated in East with North and West housing over 690 re-rolling units (around 41 mnT of re-rolling capacity). This is primarily on back of more integrated long steel players being present in East.

Competition in Sponge Iron Market:

In Fiscal 2020, India is the second largest sponge iron producer in the world. Sponge iron industry is fairly fragmented with around 285 units with an operational capacity of approximately 47.85 MTPA operating as of 2019 to 2020. These units had a gross production of around 37.1 MTPA as of Fiscal 2020 thereby yielding a utilization level of around 77.5%. The total capacity as well as number of units have decreased between 2017 to 2018 and 2019 to 2020. The capacity decreased from 49.6 MT (2017 to 2018) to 47.9 (2019 to 2020) and the number of working units have reduced by 27 over the same time period, which exhibits large players gaining more traction.

Coal based sponge iron constitutes around 82% of India's sponge iron capacity / production. Odisha with 74 sponge iron units and with a capacity of 12.6 MTPA was the leading sponge iron producing state in India in 2019 to 2020. Large players have seven DRI units with a capacity of around 14 MTPA. Against this, other secondary players have around 278 units housing a capacity of around 33 MTPA as of Fiscal 2020. In terms of regional split, West region houses 44% of India's sponge iron capacity followed by East at 42% and rest being in South. Odisha followed by Chhattisgarh are the key sponge iron producing states.

Backward Integration:

Having backward integration in the form of captive iron ore mine, coal mine, pellet plant, captive power plant, etc. provides an integrated player with cost benefits. For instance:

- Having access to integrated iron ore and coal mine not only provides cost benefits to players but also provides assurance of continuous raw material supply
- A pellet plant enables sourcing of iron ore in the form of fines which are more abundantly available as against lumps. Further pellets also exhibit high cold crushing strength, porosity and high strength. They can be directly charged into a blast furnace or DRI unit. Also, pelletisation is considered to be technically more superior product to sinter and is easily transportable
- Having captive power plant not only ensures more regular and uninterrupted power supply but also aids in reducing power and fuel cost for a steel player. While grid power would cost anywhere between Rs. 5 to 7 per unit, a captive power plant reduces the cost significantly to approximately Rs. 2.5 / unit
- Having other backward integration such as railway siding helps in optimising logistics and associated cost involved in procuring raw material as well as dispatching finished goods.

Forward Integration:

Companies that are forward integrated in the long steel space enjoy better operational and financial performance. For instance a company that is already present till billet production level having extended presence to TMT or finished steel level ensures lower cost (given that there is no need to re-heat the billet). Additionally, value added products aid in better realizations and EBITDA / ton.

Access to target markets:

Since long-steel can't be transported over long distances, the market is limited to 250 to 350 km of plant location. Strategic location of plant can help in increasing the market reach and optimize logistics costs. Also, having a presence in high-growth market may enable players to achieve faster growth and offset the rising competition.

Financial Strength

The pandemic and subsequent lockdown has resulted in adding further stress to the small and medium size long steel players. While the finished product prices have been on an upward trend since the third quarter of Fiscal 2021, the rising raw materials prices esp. iron ore and issues pertaining to its availability due to logistics constraints had added to the woes of these players. Pertaining to Sponge iron, standalone sponge iron players have weak credit profile. The debt-servicing ratios have been deteriorated over the past few years on account of lower profitability. Lower realisations coupled with high raw material cost have severely impacted the profitability of these players. Gross contribution narrowed to Rs. 4,056 per tonne in Fiscal 2020 due to 18% fall in sponge iron prices. Marginal fall in iron ore and thermal coal prices provided some relief to players. Rising iron ore cost on supply crunch could limit rise in spreads. With domestic iron ore prices expected to rise even further next fiscal on demand-supply mismatch spreads might further narrow.

Ferro Alloys Market Assessment

Industry Overview

Ferro alloys are alloys of iron with a high proportion of one or more than one other element eg: chromium, manganese or silicon. In India, the primary demand of ferro alloys comes from steel making where it is used as an additive for the purpose of either de-oxidation or to impart special mechanical properties to steel. Depending upon the process of steel making and the type of steel being produced, the requirement of ferro alloys varies wide. Typically, ferro alloys constitute around one percent of total raw materials used for steelmaking but are vital in imparting special engineering properties like hardness, corrosion resistance, tensile strength, abrasion resistance, etc. The growth of the ferro alloy industry is, thus, linked with the prospects of the steel and stainless-steel industries.

DI PIPES MARKET ASSESSMENT

Ductile iron (DI) pipe is a pipe made of ductile cast iron, commonly used for potable water transmission and distribution. DI pipes have directly evolved from earlier cast iron pipes. Ductile iron is made by adding a closely controlled amount of magnesium alloy to molten iron of low phosphorous and sulphur content. The magnesium alloy addition produces a notable change in the microstructure, by causing the carbon in the iron to form a spheroidal or nodular shape (as contrasted to the flake form of graphite in grey cast iron), and at the same time, produces a finer grained iron matrix in the surrounding ferrite structure. As a result of this change, a far stronger, tougher, and ductile material is obtained.

Key Concerns:

- Loss of any of SMEL's suppliers or a failure by its suppliers to deliver some of its primary raw materials such as iron ore, iron ore fines, coal, chrome ore and manganese ore may have an adverse impact on its ability to continue manufacturing process without interruption and its ability to manufacture and deliver the products to its customers without any delay. Further, restrictions on import of raw materials and an increase in shipment cost may adversely impact the business and results of operations.
- Success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of suppliers to deliver raw materials or its ability to deliver products to the customers and/ or increase transportation costs, which may adversely affect the operations.
- The demand and pricing in the steel industry is volatile and are sensitive to the cyclical nature of the industries it serves. A decrease in steel prices may have a material adverse effect on the business, results of operations, prospects and financial condition.
- Two of SMEL's Group Companies, SFAL and SPSPL, are engaged primarily in manufacturing of ferro alloy products and the metal manufacturing segment, respectively, lines of business similar to that of the Company.
- The COVID-19 pandemic and resulting deterioration of general economic conditions has impacted the business and results of operations in the past and the extent to which it will impact SMEL's future business and results of operations will depend on future developments, which are difficult to predict.
- The steel industry is characterized by volatility in the prices of raw materials and energy which could adversely affect SMEL's profitability.
- The unexpected loss, shutdown or slowdown of operations at any of SMEL's manufacturing plants could have a material adverse effect on its results of operations and financial condition.
- If SMEL is unable to successfully implement its proposed expansion plans, including its proposal to enter ductile pipe and aluminum foil business, its results of operations and financial condition could be adversely affected.
- SMEL's business operations are being conducted on owned and leased premises. Inability to seek renewal or extension of such leases may materially affect the business operations.
- Manufacturing plants and sources of raw materials are primarily concentrated in eastern India and any adverse developments affecting this region could have an adverse effect on the business, results of operations and financial condition.
- SMEL is required to pay liquidated damages to some of its suppliers of coal and chrome ore in the event it does not lift a specified percentage of the annual contracted capacity.

- Inability to expand or effectively manage SMEL's distributors or any disruptions in its distribution network may have an adverse effect on its business, results of operations and financial condition.
- Developments in the competitive environment in the steel industry, such as consolidation among SMEL's competitors, could have a material adverse effect on its competitive position and hence its business, financial condition, results of operations or prospects.
- Failure to comply with environmental laws and regulations by SMEL could lead to unforeseen environmental litigation which could impact its business and its future net earnings.
- Business is substantially affected by prevailing economic, political and other prevailing conditions in India and globally.
- A certain amount of SMEL's revenue is generated from certain key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for its products could adversely affect the business, results of operations, financial condition and cash flows.
- SMEL's operations could be adversely affected by strikes, work stoppages or increased wage demands by its employees or any other kind of disputes with its employees.
- SMEL does not have long-term agreements with its customers which would have a material adverse effect on the business, results of operations and financial condition.
- Manufacturing plants are subject to various operating risks.
- Product liability claims could adversely affect SMEL's operations.
- A shortage or non-availability of essential utilities such as electricity and water could affect manufacturing operations and have an adverse effect on the business, results of operations and financial condition.
- Efforts to ensure high capacity utilization in SMEL's plants may result in oversupply of its products which may adversely affect the profitability.
- SMEL faces substantial competition, both from Indian and international steel producers, which may affect its prospects.
- Business is seasonal in nature and therefore its results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.
- SMEL face numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect its revenue from exports.
- Inability to collect receivables and default in payment from SMEL's dealers and distributors could result in reduced profits and affect its cash flows.
- A reduction in import duties on steel products in India may lead to increased competition from foreign companies, reduce SMEL's market share and reduce margins on its products.
- SMEL derives a portion of its revenues from exports to a limited number of markets and any adverse developments in these markets or inability to enter into new markets could adversely affect its business.
- Competition from other materials or changes in the products or manufacturing processes of customers that use SMEL's steel products could reduce market prices and demand for steel products and thereby reduce cash flow and profitability.
- The success and wide acceptability of SMEL's products is largely dependent upon certain quality accreditations which are valid for a limited time period and to maintain an effective quality control system. An inability to ensure the renewal of these quality accreditations in a timely manner or at all may adversely affect the business prospects and financial performance.
- Dependent on a number of key personnel, including senior management or people with technical expertise, and the loss of or inability to attract or retain such persons could adversely affect the business, results of operations and financial condition.
- SMEL may require additional equity or debt in the future in order to continue to grow its business, which may not be available on favorable terms or at all.
- Technology failures could disrupt SMEL's operations and adversely affect its business operations and financial performance.
- Currency exchange rate fluctuations may have an adverse effect on SMEL's results of operations and value of the Equity Shares.
- Any negative cash flows in the future would adversely affect cash flow requirements, which may adversely affect SMEL's ability to operate its business and implement growth plans, thereby affecting financial condition.
- Adverse geopolitical conditions such as increased tensions between India and China, could adversely affect the business, results of operations and financial condition.
- If inflation were to rise in India, SMEL might not be able to increase the prices of its services at a proportional rate in order to pass costs on to its clients thereby reducing margins.

Profit & Loss

Particulars (Rs in million)	9MFY21	FY20	FY19	FY18
Revenue from Operations	39330.8	43628.9	46064.0	38425.7
Other Income	625.5	324.2	781.7	778.3
Total Income	39956.3	43953.0	46845.6	39204.0
Total Expenditure	32137.1	37173.3	36616.9	31415.5
Cost of material consumed	24373.6	27182.2	27827.7	22967.9
Purchase of traded goods	45.7	632.5	286.2	1282.8

Shyam Metals and Energy Limited

Excise Duty	0.0	0.0	0.0	954.1
Changes in inventories of stock-in-Trade	134.1	-1034.9	-251.2	-543.7
Employee benefits expense	1247.4	1683.6	1450.3	1064.5
Other expenses	6336.3	8709.9	7303.9	5690.0
PBIDT	7819.2	6779.7	10228.8	7788.5
Interest	558.4	858.8	644.3	488.6
PBDT	7260.8	5920.9	9584.4	7299.9
Depreciation, amortization and impairment expense	2199.7	2966.5	1945.8	2150.5
PBT	5061.1	2954.4	7638.7	5149.4
Share of loss of Investments accounted using equity method (net)	1.5	0.2	0.3	24.5
Tax (incl. DT & FBT)	499.4	-448.7	1271.1	-106.5
Net Current Tax	917.4	574.5	1663.1	1395.1
Deferred Tax	-418.0	-1023.1	-391.9	-1501.6
PAT	4563.2	3403.3	6367.8	5280.4
EPS (Rs.)	19.5	14.6	27.3	22.6
Equity (Latest)	2336.1	2336.1	2336.1	2336.1
Face Value	10.0	10.0	10.0	10.0
OPM (%)	18.3	14.8	20.5	18.2
PATM (%)	11.6	7.8	13.8	13.7

(Source:RHP)

Balance Sheet

Particulars (Rs in million) As at	9MFY21	FY20	FY19	FY18
Assets				
Non-current assets				
Property, plant and equipment	18378.5	19685.1	17297.8	17230.3
Right-of-use assets	419.6	427.2	434.7	233.8
Capital work-in-progress	3509.5	2354.5	3577.0	906.3
Intangible assets	6.3	7.9	8.4	4.5
Intangible assets under development	0.0	0.0	0.0	7.5
Financial assets				
- Investments	703.1	724.3	684.2	622.1
- Loans				
- Other financial assets	448.2	407.7	75.0	38.3
Deferred tax assets (net)	678.6	290.1	0.0	0.0
Income tax assets (net)				
Other non-current assets	3777.8	2292.5	579.8	714.9
Total non-current assets	27921.6	26189.2	22656.9	19757.6
Current assets				
Inventories	11499.8	14867.1	7321.3	5584.9
Financial assets				
- Investments	976.4	715.5	2054.3	1331.8
- Trade receivables	2436.9	2590.2	2129.1	3687.2
- Cash and cash equivalents	153.6	297.0	99.0	81.3
- Other bank balances	1628.0	915.4	879.5	451.7
- Loans	157.9	41.8	474.1	60.2
- Other financial assets	742.3	661.5	686.2	810.4
Current Tax Assets (Net)	0.0	48.1	42.4	0.0
Other current assets	5535.1	5712.1	4181.6	2941.3
Total current assets	23129.8	25848.7	17867.5	14948.7
Total assets	51051.5	52037.9	40524.3	34706.3
Equity and Liabilities				
Equity				
Share capital	2336.1	2336.1	2336.1	467.2
Other equity	30516.7	25923.7	22560.5	18072.7

Shyam Metals and Energy Limited

Equity attributable to equity holders of the Company	32852.8	28259.8	24896.6	18539.9
Non-controlling interests	41.5	41.5	44.3	2095.4
Total equity	32894.3	28301.3	24940.9	20635.3
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	1826.2	3513.1	2132.8	2017.2
- Other financial liabilities	200.4	198.8	423.2	93.7
- Provisions	97.8	271.8	59.7	57.8
Deferred tax liabilities (net)	0.0	0.0	726.9	1101.0
Other non-current liabilities	2099.2	2626.9	1861.6	751.8
Lease Liabilities	56.7	59.5	61.4	33.2
Total non-current liabilities	4280.3	6670.2	5265.7	4054.8
Current liabilities				
Financial liabilities				
- Borrowings	6823.0	9211.3	4427.7	2786.6
- Lease Liabilities	4.7	4.9	3.9	1.0
- Trade payables				
<i>total outstanding dues of micro enterprises and small enterprises</i>	5.2	33.5	0.0	0.0
<i>total outstanding dues of creditors other than micro enterprises and small enterprises</i>	3532.9	4990.4	3106.1	4471.2
Other financial liabilities	771.2	1545.4	1010.5	1075.5
Other current liabilities	2220.3	1275.4	1764.7	1352.8
Provisions	275.0	5.6	4.9	4.3
Current tax liabilities (Net)	244.6	0.0	0.0	324.8
Total current liabilities	13877.0	17066.4	10317.8	10016.2
Total equity and liabilities	51051.5	52037.9	40524.3	34706.3

(Source:RHP)

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